Daily Report

Latin America

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CONTENTS

INTER-AMERICAN AFFAIRS

Inter-American Affairs: U.S. Secretary at C.A. Forum *[LA PRENSA 22 Mar]* 1
Inter-American Affairs: 'Briefs' on Cartagena Summit *[EL TIEMPO 20 Mar]* 1

CARIBBEAN

Cuba

Cuba: ICAO Specialists To Investigate 24 Feb Incidents *[Havana Radio]* 2
Cuba: Alarcon Discusses Helms-Burton Law *[Havana TV]* 2
Cuba: Commentary Views Helms-Burton Law, 'Miami's Mafia' *[Havana Radio]* 10
Cuba: TV on Foreign 'Rejection' of Helms-Burton Law *[Havana TV]* 11
Cuba: Minister Meets Uruguayan Official on U.S. Law *[PRENSA LATINA]* 11
Cuba: Minister Sees 'United Regional Position' on Ties *[Havana Radio]* 12
Cuba: Fidel Castro Attends Tourism Development Meeting *[Havana TV]* 12

Haiti

Haiti: Preval Comments on Privatization, Cuban Ties *[Port-au-Prince Radio]* 12
Haiti: Survey Reveals Existence of Armed Groups *[Port-au-Prince Radio]* 13

MEXICO

Mexico: President Zedillo Pledges To Fight Poverty *[Mexico City TV]* 14
Mexico: Report on Minimum Wage, Tortilla, Fuel Prices *[Mexico City Radio]* 14
Mexico: Secretary Urges Reform, Respect for Pluralism *[Mexico City Radio]* 15
Mexico: Roundup of Economic Developments Through 23 Mar *[EL FINANCIERO, etc.]* 16

CENTRAL AMERICA

Guatemala

Guatemala: Army Downplays Attack on Military Detachment *[NOTIMEX]* 18

Honduras

Honduras: Military, Political Leaders on Readiness, Budget *[TIEMPO 21 Mar]* 18

Nicaragua

Nicaragua: 'Embargo' on Sandinist Media Criticized *[BARRICADA 21 Mar]* 19
Nicaragua: Daily Protests Government Action Against Press *[BARRICADA 21 Mar]* 19

Panama

Panama: President Requests Correction of Helms-Burton Law *[Panama City TV]* 20
Panama: Daily Views Negative Impact of Helms-Burton Law *[EL UNIVERSAL DE PANAMA 24 Mar]* 20
Panama: Foreign Capital Called For in Canal Area *[MAGAZINE DOMINICAL EL SIGLO 24 Mar]* 21
Panama: President Establishes Foreign Commerce Council *[LA PRENSA 25 Mar]* 21

Panama: Official Says Canal Alternative Studies Imperative *[LA PRENSA 25 Mar]* 22

SOUTH AMERICA

Argentina

Argentina: International Support Sought Against Britain *[TELAM]* 23
Argentina: Government Urged To Consolidate, Avoid Dispute *[LA NACION 16 Mar]* 24
Argentina: Radical Civic Union in Socialist International *[NOTICIAS ARGENTINAS]* 25
Argentina: 'Nothing Left To Negotiate' With on Patent Law *[TELAM]* 25
Argentina: Army Chief on Overcoming Resentment, Hatred *[TELAM]* 25
Argentina: Executive Branch Names New Navy Chiefs *[TELAM]* 26
Argentina: Cavallo, U.S. Treasury View Emerging Markets *[TELAM]* 26
Argentina: Army Commander on Reconciliation, Peace *[TELAM]* 26
Argentina: Menem To Travel to Middle East If 'Necessary' *[NOTICIAS ARGENTINAS]* 27

Bolivia

Bolivia: Special Antidrug Force Reorganization Viewed *[LOS TIEMPOS 6 Mar]* 27
Bolivia: Police, Demonstrators Clash in La Paz; 1 Killed *[La Paz Radio]* 28

Brazil

Brazil: Slow Privatization of Electric Companies Viewed *[GAZETA MERCANTIL 20 Mar]* ... 29
Brazil: PSDB Gives PFL Political Coordination Power *[FOLHA DE SAO PAULO 20 Mar]* ... 30
Brazil: PMDB Approves New Statute by Acclamation *[Brasilia Radio]* 31
Brazil: Chilean President on Association With Mercosur *[AGENCIA ESTADO]* 31
Brazil: Chilean President Visits, Signs Agreements *[Brasilia Radio]* 32
Brazil: French Minister on Interest in Strengthened Ties *[Brasilia Radio]* 32
Brazil: Government, Governors To Boycott PMDB Convention *[O GLOBO 25 Mar]* 33

Chile

Creutzfeldt-Jacob, 'Mad Cow' Disease Linkage Denied *[Santiago TV]* 33

Colombia

Colombia: Ministry Rejects U.S. Envoy's Statements *[Santa Fe de Bogota Radio]* 34
Colombia: Communique Rejects U.S. Envoy's Remarks *[Madrid EFE]* 34
Colombia: Samper's Attorney Rejects U.S. Envoy's Remarks *[NOTIMEX]* 34
Colombia: Colonels' Courses in U.S. Said Suspended *[SEMANA 19-26 Mar]* 35
Colombia: Businessmen 'Optimistic' on Brown's Visit *[LA REPUBLICA 21 Mar]* 35
Colombia: VP Defends 'Silence' Amid Crisis *[EL ESPECTADOR 21 Mar]* 36
Colombia: Medina Says Samper Knew About Spending Violation *[NOTIMEX]* 36
Colombia: Medina Says Samper Knew of Campaign Spending *[EL TIEMPO 22 Mar]* 37
Colombia: Ex-Candidate Says VP Should 'Assume Office' *[Santa Fe de Bogota Radio]* 37
Colombia: Samper Lawyer Disputes Botero, Medina Testimony *[Santa Fe de Bogota Radio]* 37
Colombia: Report on Reactions to Samper's Proposals *[Santa Fe de Bogota Radio]* 39
Colombia: Police Head 'Satisfied' With Efforts *[Santa Fe de Bogota Radio]* 39
Colombia: Valdivieso Criticizes Counterdrug Efforts *[EL TIEMPO 21 Mar]* 39
Colombia: Official Denies Resumption of Talks With FARC *[Santa Fe de Bogota Radio]* 40
Colombia: Government, FARC Agree To Meet in Costa Rica *[EL ESPECTADOR 20 Mar]* ... 41
Colombia: Kidnapping Statistics Reported *[EL TIEMPO 20 Mar]* 41
Colombia: Samper Addresses Cartagena Business Forum *[EL TIEMPO 21 Mar]* 42
Colombia: Means To Reform Constitution Viewed *[EL TIEMPO 22 Mar]* 43

Colombia: CNE Head Alerts Congress to 'Narcorider' *[EL TIEMPO 22 Mar]* 44
Colombia: Congressmen on Possible Early Elections *[EL TIEMPO 22 Mar]* 44
Colombia: Outcome of Cartagena Summit Discussed *[EL TIEMPO 22 Mar]* 45
Colombia: Government, Businessmen Reach 'Pact' *[EL TIEMPO 22 Mar]* 46
Colombia: Luis Carlos Villegas Named ANDI President *[EL TIEMPO 22 Mar]* 47

Ecuador

Ecuador: Peru Accused of Increasing Troops on Border *[Madrid EFE]* 47
Ecuador: MOMEP Denies Destruction of Buildings on Border *[Quito Radio]* 48
Ecuador: Administration Facing Strike by Farmers *[Madrid EFE]* 48
Colombia: Administration Secretary General Appointed *[Madrid EFE]* 49
Ecuador: Fraud Alleged in Rice Warehousing *[VISTAZO 7 Mar]* 49
Ecuador: Abuse of Gas Subsidies Alleged *[VISTAZO 7 Mar]* 50
Ecuador: FTAA Members' Disparate Conditions Viewed *[HOY 20 Mar]* 52

Paraguay

Paraguay: U.S. Official, Wasmosy Discuss Drug Issues *[ABC COLOR 23 Mar]* 53
Paraguay: Editorial Views 'Lessons' From Peasant March *[NOTICIAS 17 Mar]* 54
Paraguay: Demonstrators, Police Clash Over Nomination *[NOTICIAS 22 Mar]* 54

Peru

Peru: New U.S. Drug Enforcement Initiatives Viewed *[LA REPUBLICA 19 Mar]* 55
Peru: Industry Minister Discloses Talks With Mercosur *[GESTION 19 Mar]* 56
Peru: Military Meeting in Neutral Country Proposed *[Madrid EFE]* 56
Peru: World Bank $500 Million Loan Covers Brady Plan Fees *[EL COMERCIO 22 Mar]* 57
Peru: Poll Shows Large Majority Against Petroperu Sale *[LA REPUBLICA 20 Mar]* 57

Venezuela

Venezuela: Minister Criticizes Editorial on Colombia *[EL UNIVERSAL 19 Mar]* 58
Venezuela: New Colombian Ambassador Discusses Relations *[EL UNIVERSAL 19 Mar]* 59
Venezuala: Minister Defends Social Assistance Policy *[EL GLOBO 22 Mar]* 59

Inter-American Affairs: U.S. Secretary at C.A. Forum

PA2503143196 Managua LA PRENSA in Spanish 22 Mar 96 p 14

[Report by Maria Elena Palacios]

[FBIS Translated Text] U.S. Commerce Secretary Ronald Brown called on Central American countries and the United States to "work together with a common outlook on the economic integration that will be the basis for a free trade area in the Americas."

Mr. Brown spoke during the inauguration of the Central American-U.S. Commerce and Investment Forum taking place in the Olof Palme Convention Center where the region's economic issues will be discussed, along with its development prospects.

The high-ranking U.S. official recalled that in the Summit of the Americas, the 34 heads of state agreed to continue work on hemispheric integration aimed at having free trade in the Americas by the year 2005.

"We have made much headway for the unification of the hemisphere, which I believe is an irreversible act," Mr. Brown said before Central American economic ministers and vice ministers as well as U.S. businessmen who attended the isthmian forum.

The act, which was inaugurated by President Violeta Barrios de Chamorro, was also attended by members of the diplomatic corps and international organizations, as well as the Nicaraguan Government Cabinet.

President Chamorro, after explaining the economy's positive advances and Nicaragua's peace achievements, said that the country is in "a suitable situation to attract investments by Nicaraguans, our Central American neighbors, and the rest of the world."

She also referred to the joint work with the remaining Central American countries. "The new Central American integration consists of a joint and coordinated opening to the global economy and international competition, strengthening the region's competitiveness as a unit," the president said.

Both President Chamorro as well as Mr. Brown agreed that the private sector is fundamental to attain a dynamic and sustained development in the economies of the countries of the hemisphere.

Pablo Pereira, Nicaraguan economy and development minister, in turn, on behalf of the Central Americans, stressed the trade reciprocity between isthmian countries and the United States, the area's main trading partner.

Pereira said that Central America is not detached from economic modernization and novel patterns of world economies.

Inter-American Affairs: 'Briefs' on Cartagena Summit

PA2003223096 Santa Fe de Bogota EL TIEMPO in Spanish 20 Mar 96

[Received via Internet]

[FBIS Translated Text]

Summit Briefs

— U.S. Foreign Trade Representative Mickey Kantor favors dismantling current barriers on exports and negotiate clear rules of the game for commercial matters.

— Sao Paulo's Commercial Association and Proexport [Exports Promotion Fund] signed a cooperation agreement for the exchange of information that will allow local exporters access to 30,000 businesses in Brazil.

— A poll conducted by Peter Hart Research revealed that 154 U.S. citizens fear free trade because they believe the agreements will hurt jobs in their country.

— Cuba is the only country absent from the meeting of foreign trade ministers. The Caribbean island was not invited following a decision made during the past Summit of the Americas.

Cuba

Cuba: ICAO Specialists To Investigate 24 Feb Incidents

PA2603014096 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Mar 96

[From the "National Radio News" newscast]

[FBIS Translated Text] International Civil Aviation Organization [ICAO] specialists arrived in the country last night. They will be conducting a complete and extensive investigation of the 24 February incidents in which two pirate planes from the United States were shot down.

The UN Security Council president issued a statement asking the ICAO to conduct an in-depth investigation of the incidents.

Meanwhile, the Cuban Government also invited the international organization to investigate the events leading up to the incident. The team of ICAO specialists will initiate the investigation today, Monday.

Cuba: Alarcon Discusses Helms-Burton Law

PA2303002796 Havana Radio and Television Networks in Spanish 0130 GMT 21 Mar 96

[Interview with Ricardo Alarcon, president of the Cuban National Assembly of the People's Government, by Anchor Orlando Contreras at Tele Rebelde's Studio 11 in Havana — live]

[FBIS Translated Excerpt] [passage omitted] [Alarcon] But there is still something else. It is curious, but do note that the law is so tough and encompassing that they had to do this: They are also forced to clarify that CIA activities in our country, the activities of intelligence services, the provocation and subversion against our country, may continue to be authorized in spite of this law. That is why they then added — which is also new — Section 115, which states: Effects of this law on other legal activities — they say legal activities of the U.S. Government [laughs]: Nothing in this law prohibits the activities of investigation, repression [words indistinct] duly authorized, which are carried out by law enforcement agencies or U.S. intelligence agencies.

[Contreras] Duly authorized by them?

[Alarcon] Yes, duly authorized by them in view that every type of transaction or exchange with Cuba and with Cubans is forbidden, [words indistinct] from the strictly legal point of view, the jurists who perhaps were consulted by the lawmakers, believed it was necessary to clarify to their friends here — those who they [the U.S.] back and with whom they attempt to create a domestic fifth column and their agents and espionage apparatus — that they would be kept on. As far as we are concerned they can continue using resources. Each was thus dedicated a small pertinent paragraph.

If you agree, let us move on to the so-called assistance to a free and independent Cuba. This section, this title, deals with something that this law has contributed. We need to see this law, like the Torricelli and other previous laws, as one more effort or attempt to strengthen the blockade, to make it harsher, to reinforce it [words indistinct], which its creators want fully enforced. Moreover, this law describes, designs, what the future of Cuba would be like if what they expect and hope to achieve were to occur, if this blockade policy was victorious. In other words, they are not satisfied with designing, organizing a total and absolute blockade to our country — it is their intention — but achieving this goal is something else, to destroy the revolution through a blockade. They are not satisfied with that [words indistinct] what the U.S. position would be after the United States achieved this intention of destroying the revolution with a blockade. Hence the importance of this section or Chapter 2, assistance to a free and independent Cuba. [passage omitted]

It takes the trouble to explain the requirements and the preconditions to enable to accept that there's democracy in Cuba. It is not enough [words indistinct] what this chapter describes what has to take place. Let us review it, even if done briefly [words indistinct] the following section [words indistinct] to arrive at that stage, after the revolution is defeated. Only then will the individuals rights to travel and visit their relatives be restored. In other words, what has been forbidden, regulated, limited, etc. — the possibility to travel between the two countries for people who have relatives in either country, the freedom to be able to travel — can only be reconsidered once this stage is reached, after reaching their dream of defeating the revolution by the blockade. We have finally reached the sections that establishes all these regulations. [passage omitted]

One would think that once the Cuban Revolution is defeated, the United States would lift the blockade, but no. At that moment everything would remain stationary, subject to what is established in this chapter. Before changing it, the law establishes a mechanism to assure that total control over Cuba will be exerted from the United States.

Section 213. Coordination of the Assistance Program. Implementation and Reports to Congress. Reprogramming.

Once the revolution is defeated, the president will appoint a coordination official. This gentleman will be responsible for implementing the strategy the United States will follow for the poor country finally destroyed through hunger, misery, disease — the total blockade.

This coordinator would establish what they call the U.S.-Cuba Council, which would be formed of U.S. Government representatives and of the U.S. private sector and would be directed, I suppose, by this coordinator. This council would be in charge of organizing future economic relations between the United States and Cuba — U.S. investments in Cuba. It is no coincidence that none of the Helms-Burton bills, none of its five versions, mentions the Cuban Government [laughs] simply because there would be no government and no Republic of Cuba. There would be a U.S. council designed by the U.S. President that would look after the Cuban economy.

Once this is made clear, the law explains the process for the elimination of the blockade. This would involve a very complex process that would begin, according to Helms' dream, once the Cuban revolution is defeated. There would be a transition period during which the blockade would be maintained, the all-encompassing blockade of that law, which leaves no gap, would be maintained. They would impose all sorts of conditions on the Cuban Government, or on the Cuban society, during that phase. Imagine what this country would become if the dream about the defeat of the Cuban revolution were to come through. We would see the most brutal and terrible reaction.

The transition government would not be able to keep, of course, the current revolutionary leadership, or elementary revolutionary institutions — the party, social organizations, other things such as the Committees for the Defense of the Revolution. This is specifically stated. It would take a series of measures. This transition government would have to express clear commitments and implement steps such as returning to U.S. citizens, or entities, property they lost on 1 January 1959 or afterwards.

This transition process they mention would last 18 months, two years, I do not know. The duration of this period is not clear. This process would take place under an economic, trade, and financial blockade, without diplomatic recognition, without participation in international organizations, etc. Then comes Section 206, when it is determined that Cuba has a democratic government. What is a democratic government? It is a government that has fulfilled all the requirements of the previous phase and has made significant and noticeable progress in the process of returning properties to U.S. citizens or entities who had lost it on 1 January 1959, or afterwards, or paid full compensation for such property.

As if this were not clear enough, they added a final section, which wraps up Chapter Two. This section is called: Arrangement of the Matter on Claims of Confiscated Property in Cuba.

This section concludes by stating: A satisfactory solution of property claims made to the government of Cuba, a Cuban Government acknowledged by the United States, will continue being the essential condition for renewing diplomatic and economic relations between the United States and Cuba.

If we follow the logic of this monstrosity, if what they want to implement is implemented, by the time the last paragraph of Chapter Two is applicable, several years would have gone by since the defeat of the Cuban revolution, with no revolutionary government in Cuba, with basis on the U.S. law. Then, the U.S. grace of acknowledging the Cuban Government and renewing relations with Cuba would be up for discussion. This outcome would depend on the U.S. Government being satisfied with the solution given to what they clearly express in their law regarding the return of property to the North Americans, in the way that law views property matter now, which deserves an additional analysis, later on.

Additional consideration is necessary later on the way it was conceived. Something else is worth noting, Contreras. When the Conference Committee, which is the one that negotiated with both chambers, submits the bill to the plenums, a memorandum from the sponsors of the bill is included [word indistinct] joint explanation of that [word indistinct] committee, that it was, most certainly, necessary. They insisted on and stressed the idea of the law's first two basic chapters. I can read a small paragraph, which is quite interesting. It addresses the continuation of the economic blockade on Cuba. It reads: All the economic sanctions against Cuba in effect on 1 March 1996 will remain in place until they are suspended or terminated by provisions of the law's Section 204, which requires an assessment by the President that a democratic change has taken place in Cuba.

In other words, all of the actions and provisions will continue to be valid until the moment they believe that a democratic change has taken place in Cuba. It is a democratic change that, according to Section 206 that I read earlier, includes the return of property, or compensation for property lost in Cuba, to U.S. citizens.

Here, I have to point out something that is fundamental in this law, something that is a drastic, radical change

from what existed previously. It is the redefinition [words indistinct] to which it refers in the description of a U.S. citizen. Up to 12 March, the day President Clinton signed this law, Cuba and the United States have had a controversy that emerged with the Agrarian Reform Law in 1959. The United States did not accept the Cuban law's terms to compensate U.S. proprietors, U.S. firms that were landowners in our country, that were affected by the agrarian reform. This is where this whole story starts. It cuts our sugar quota, imposes a number of sanctions [words indistinct,] and this blockade starts to build up. From that date until Tuesday, March 12, the controversy has prevailed. Theoretically, some day [words indistinct] as we are with the rest of the countries. This problem only exists between Cuba and the United States. We do not have this problem with any other country in the planet because we found mutually satisfactory solutions to this matter with all of them. They are, of course, countries that have accepted Cuba's law and sovereignty and have not imposed any blockade on Cuba.

So far we have been talking about a conflict dealing with the way to compensate a certain number of U.S. people or companies that were U.S. companies at the time when the agrarian reform law or the [word indistinct] nationalization law was enacted. The Helms-Burton law broadens the concept. When they talk about returning properties they no longer talk about the 5,911 U.S. people who were the issue until 12 March 1996. The law talks about anyone else who is a U.S. citizen today, even if he was not a U.S. citizen at the time when his property was expropriated by a revolutionary law. In other words, they create an enormous range to include whoever is able to prove his condition as U.S. citizen. This also opens the issue in another way. Until now, the discussion evolved around the agrarian reform law or the revolutionary government's nationalization laws.

The text of this law, all of its five versions, throughout its history, throughout this year, has stated and repeated, without being ever modified — this is perhaps the concept that is repeated the most in the law because it can be found at least six times — a definition that always accompanies any reference to confiscation, expropriation, or compensation. It deals with properties someone lost on 1 January 1959 or afterwards. In other words, if the idea had only been to broaden the claim to include landowners affected by the agrarian reform, meaning those who were not U.S. citizens when the agrarian reform was implemented but who later became U.S. citizens, then they would have said so. This would have been done in the 1960's but the [words indistinct] U.S. group now extends to include other persons who were not U.S. citizens at the time but who now are.

That is not what they did. What they did was use a date, a very specific, clear, and illustrative date. No one who lost something prior to that was included! There were also people who may have lost their properties for various reasons — for example, how many Cuban owners were illegally deprived of their properties by the Batista regime members — by a military man, by a henchman. There were innumerable cases of confiscations in our country! Those people are not included, only those who lost their properties after 1 January 1959. Only two types of persons lost something in this country on that day and they had not been benefited by the grace of the U.S. support and the U.S. policy. First of all, the Batista regime members, the Batista regime butchers, the embezzlers, all the libertines who fled Cuba that day.

Strictly speaking, the revolutionary government had yet to be created in Havana on 1 January. That is a historical fact, too. In other words, they cannot even hold formally and legally responsible an authority that had yet to be created in Havana. The date is the key because it was on this day that a series of people — some of them well-known families that were part of the Batista regime and that are among those now cosponsor the law precisely now — lost a definite number of things. There is another [words indistinct] group. This is not a Cuban group, it is a U.S. group, but not one of them had ever thought about filing a claim. There are also people who lost their gambling houses, casinos, centers of vice, criminal centers that existed in Havana at the time. Obviously, they never thought about filing a claim with the government when this dispute began between the two parties due to the agrarian reform. The way this law was written grants an opportunity not only to the Batistas, the Tabernillas, and the Salas Canizales but also...

[Contreras, interrupting] The (Mayas Lamski).

[Alarcon, laughing] The (Mayas Lamski) and all those people who had failed to slip into this list of claimants until now. They can now do it if they want to. This is one of the new elements of the law that was absolutely absent before and that is also absolutely contradictory to the U.S. tradition and practice. I do not know if it will be done now, meaning the [word indistinct].

U.S. Congress receives a report from a U.S. organization called the Federal Commission of Claims, which deals with claims made by any U.S. business or citizen regarding alleged harm caused by any action of a foreign government. With no exception, this report — which each business presents case by case [word indistinct], claiming the protection by U.S. authorities and asking them, therefore, to act on their behalf — always

begins with a description of the individual's or the business's status [word indistinct] regarding nationality. They begin by explaining, establishing, and proving that this was a U.S. business before the event indicated in the claim. It should prove that it was a U.S. business at that time and that it continued to be so uninterruptedly before this event and afterwards up to today. [Words indistinct] U.S. citizens. It is very reasonable. This is a basic requirement. Hereafter, they would drastically change this requirement to favor a group of U.S. nationals: those who left Cuba on 1 January 1959 or afterwards, and who later became U.S. citizens.

This law proposes the solution that these people have their properties returned now. This becomes an essential element and [word indistinct] requirement once again — and will continue to be so — for the United States to resume diplomatic and economic relations with Cuba. This would be the case according to their explanation. This would be the case even if they defeat and destroy the Cuban Revolution. Even if they managed to attain the goals that U.S. imperialism established for Cuba from the very beginning, even then they would not change their policy until that absurd [word indistinct] and impossible aspiration or goal is reached, that is, to regain control over the country, no longer by U.S. monopolies, but by all that riffraff that escaped the country on the date [1 January 1959] that is deliberately repeated half a dozen times throughout the text of the law. [passage omitted]

However, I want to make the following remark: Those people were Cubans, who fleeced our people, and also committed the worst crimes against our people. The majority — if not all — of the properties they are claiming were stolen from our people. Therefore, they have no right — and in fact, they never did — to claim these properties back. This is particularly true in the case of the pro-Batista people, embezzlers, thieves, and the other bourgeois and owners of large estates who severely fleeced our people. It was our people who actually generated these riches and allowed this minority to live in opulence. This law is being made for these people and their descendants because we are speaking, of course, in some instances of the children and grandchildren of these prominent people.

Just because they became Yankees by acquiring U.S. citizenship [words indistinct] what they say either they or their relatives owned. Did you know that there is something else that they would also force us to give them back? Their Cuban citizenship! This is the limit! This is the limit of disrespect toward an independent nation! Because they are Yankees [words indistinct] to make them equal to the former businesses [word indistinct] that were in fact of U.S. origin. [Words indistinct] owners of large estates. We would have to return homes, factories, and so forth to their owners. In addition, we would have to return their Cuban citizenship to them. Because they are Yankees, they would take over the control of this country and in addition, they would demand this poor country to return their Cuban citizenship. All of this has a tremendous symbolic significance. What would become of this country? Every owner of everything on this island — including the areas of civil and political rights — would be from the United States, because a front Cuban society, Cuban owners, and so forth would remain. It is known that they have again become Cuban citizens, because of a law issued by a foreign congress. I am sure that never before had a legislature anywhere in the world dared to make laws regarding the citizenship of another (?country). I am sure that there is no precedence to such nonsense. Such an idea could only be conceived by a colonialist mind that thinks of a slave state that depends upon such a congress to make laws.

Well, I have mentioned that much has been said about chapters three and four as it can be seen [words indistinct]. This mostly affects Cubans and Cuba's prospects. There is not much harm to international trade and U.S. relations with other states. This matter erupts in a scandalous way from Chapter Three onward. That is why there are so many reactions in these other chapters from the international media, press agencies, reviews, and so forth. The spirit of Chapter Three is none other than to grant U.S. courts the power to file, process, and rule on lawsuits presented by any U.S. citizen who had allegedly lost his property on 1 January 1959 or afterwards. [passage omitted]

Title Four. If it crossed the President's mind to accede to the intelligent, prudent and logical observations by many governments, he may implement the suspension he is entitled to. I do not think we can be very optimistic about this. If in March they were so concerned about the implications of the November elections, in August, which is much closer to November, poor [word indistinct] will be much more concerned and jittery, the anguish will be much greater in the White House [words indistinct] very optimistic about that. If he does not implement the suspension, this possibility will open up three months later, but for the original ones, those who have been certified. The other people will have the possibility two years later, and not now.

Our problem with those people, rather, our problem with what that law says regarding those people is not the lawsuits that may be filed. The problem is the fact that the United States has established as a requisite in order to lift the blockade and normalize relations that this country has to kneel before the Batista riffraff, the old

exploiters, etc., something that obviously they will never achieve.

Chapter Four. Exclusion of Foreigners. This is the resurgence of McCarthyism, the reappearance of that specter, of meting out punishment or revenge not just against the person trafficking or investing in any of the properties that are being claimed, but also [words indistinct] against his family, by refusing them entry into the United States or a visa to enter that country.

[Contreras] And residency too, I believe.

[Alarcon] Yes. I imagine that person may not, if he is deemed excludable, live in the United States or visit that country. To be sure, if the lawsuits are going to generate — have already generated — a great deal of criticism, a great deal of objections from many people — because they amount to placing the U.S. legal system at the service of the petty interests of a minority — it is because the U.S. people pay for it, since they pay for the functioning of that system. This is something that people are already criticizing. As for this other aspect, I really do not know how they are going to do it.

The United States has signed binding agreements with other countries on the matter of issuing visas. Some countries do not have a visa requirement to enter the United States, and vice versa. From a legal standpoint, the United States would not be able to. This would create bilateral problems with diverse nations if it tried to implement a measure of this nature. This is a sketchy idea of what the law establishes.

[Contreras] I think your analysis is pretty thorough on the so-called Helms-Burton law. Now, the law exists, we know the nature and objectives of this law. How would it hurt or is it hurting our economy, based on two scenarios. The first one is the one we are seeing, namely, the international community strongly and categorically rejects the U.S. attempt to enforce its law outside its borders. The extraterritorial aspect. In another hypothetical scenario, the United States succeeds in making the international community yield.

[Alarcon] Contreras, I am convinced that the same thing which happened to the Torricelli law, and what has happened to previous laws, will happen to this law. The intention is to have the rest of the world abide by it, and enforce it 100 percent. They did it with the Torricelli law about three years ago, and then they announced, with a lot of fanfare, that this was the final blow against the revolution, but the opposite occurred. That occurred during one of the most difficult moments of the special period, and, nevertheless, our relations increased, our revolutionary process continued to advance, and our strategy to counter the special period was consolidated, the period we have experienced these past years.

I do not think there is any reason [words indistinct] this law. First of all, there is something that cannot be underestimated. Nobody supports it. As you have noted, everybody rejects it, and it may give rise to a series of international lawsuits or challenges in international forums where the United States will never be able to find a favorable ruling to clear violations of international law and the rights of others. As they advance in that direction in such a vociferous and exaggerated manner, the topic of Cuba gets left behind.

[Contreras] Sure.

[Alarcon] The concern for a number of countries goes way beyond the [words indistinct] that it can do this, now that [words indistinct] a lesson of sovereignty to the United States. Nobody is going to accept it. One has to see this as another clear message of this law. Whether the law is enforceable or not, that is another matter. What this law is clearly telling the world is that U.S. investors are not going to be present in the Cuban market. There is not the shadow of a doubt that no U.S. citizen is going to think of it, and that their government is not going to authorize it. In other words, it is telling the world that the United States is not going to compete with the world. What really [words indistinct] to see, and Cubans must work in earnest on that matter, and I am certain that many people in the world thinking along these lines, how does one get around these Torquemadas, this new inquisition that creates this Yankee Holy Office, to avoid punishments and reprisals while maintaining trade, investments, and economic relations with our country, something that has been done in the past in the face of sanctions, danger, very real threats. I am most certain that this can be done. This requires intelligence, coherence, and a careful attitude that all of us must have, starting with ourselves.

[Contreras] You said, Alarcon, when you reviewed the entire law, that the U.S. President must report to Congress; must compile a detailed report on every Cuban commercial activity [words indistinct] foreign debt, properties here...

[Alarcon, interrupting] About the human and the divine.

[Contreras] About the human and the divine. This is major work. There is a lot of information of this sort that is not supplied in the world to the first one who knocks on the door. My question is: Do you not think that commercial and economic intelligence is involved here?

[Alarcon] First, for the time being, I think that we must... [pauses] first, I think that the North Americans, the State Department and its diplomats would not be surprised if we announced that we will not cooperate with application of the law; that we will not facilitate information; that we will do the opposite.

I think that we must seize this opportunity to say something that is obvious [laughs] all Cubans, all businessmen, all Cubans involved in economic activities, all those who are linked to North Americans in this country must heed this law [words indistinct] they will get no cooperation from us.

Things will not be as in the past when North Americans want to visit a factory, a province, or do anything. We must be [word indistinct], we must be very careful, because each one of them, especially the representatives of that government, has to comply with this mission, with this duty. Let them look for the 11,000 virgins, let them look for resources other than the usual ones, because absolutely no Cuban, no businessman, no institution, and much less the government, will in any way facilitate this activity.

I read something today about a European country, a newspaper reported that the chamber of commerce of that country warned that nobody should supply any information about the commercial activities with Cuba carried out by any national of that country. I think that this is a very healthy and intelligent attitude. I think the entire world should do this.

The North Americans would have to resort to magic, consult oracles, or at least sweat it out trying to... [pauses] no one in the world has to help any inquisitor. Moreover, those who so shamelessly put this in the law, and added the other paragraph on the intelligence work in our country [laughs] and on top of that authorization giving help to their boys, to their grandchildren, to those aiming to fabricate here as elements of [words indistinct]. We cannot help them either. No one should be surprised [words indistinct] to complicate as much as possible the lives of those who want to destroy this people; not only the party militants, not only the revolutionary leadership. They have said it clearly. Even if they managed to destroy the revolution they would not stop applying the blockade. Even if they destroyed the revolutionary; even if they destroyed all of us, they would continue to block [words indistinct] slavery.

This is even a threat that goes beyond this revolutionary generation, this generation of Cubans. In my opinion, the basic thing, the essence, the most important thing about this abominable law is that it is not only a threat for the current generation of Cubans. It is also for those who come afterwards — your children, your grandchildren, etc. Simply put, we, this generation, Cubans today, are duty bound to do two things: first guarantee that they cannot enforce it; do everything we have to do to defeat it. Second, guarantee that future generations in our country, our children and our children's children, know the story and are prepared so one here may propose in the future such a brutal attack on their rights [words indistinct] because this is, above all, a threat and a tremendous risk for them, more than for us.

[Contreras] To continue Alarcon, you talked about Chapter Two, which talked about a democratic transition government. It has three paragraphs that stress that an indispensable requirement to approve that transitional and democratic government that would come after the revolution is that it has to pledge to return the properties of first and second class U.S. citizens to their previous owners. We must not forget that those persons [passage indistinct] and in those three paragraphs there is no proviso about it. It says it somewhere else, however, but this Chapter Two is very emphatic about it.

[Alarcon] There is no doubt about it.

[Contreras] Under what conditions....

[Alarcon, interrupting] I am (?happy) because the subversive propaganda with their radio stations is trying to confuse people. They want to create the idea — and they have said so often in Miami — that they are not talking about the houses. They are talking about returning the last house. That is what the law says. What the law says is that based on Title Three, only residences are exempted from lawsuits, not including, of course, those occupied by government and Communist Party officials, and so forth... In other words, what a man in Miami cannot do is to file a lawsuit against anyone for using his house, but returning his house to him is a sine qua non, indispensable, essential requirement and a condition to normalize relations, as stated in the end of this chapter that I read in full. Every, every [repeats himself] property.

That was removed from Chapter Three, among other things because you can imagine the number of lawsuits, the number of lawsuits [repeats himself] that would be filed in this country, since most of the people of this country own the houses they live in. At the time of the triumph of the revolution, this was exactly the other way around. The number of homeowners or former homeowners that can file suit, not just homeowners... [pauses] Since there are many cases, almost all East Havana. A city now stands in the vacant lots owned in part by the Batista Family and other Batista supporters. According to the law they are entitled to receive their land with all the improvements. The land with

everything that is in it. The people who live there must pay the owner for his property, etc.

What the law says is that housing is excluded from Chapter Three, that is, from the possibility that a lawsuit may be filed on housing. It does not exempt... [pauses] Saying they are exempted from Chapter Three, means that they are not exempted from Chapters One, Two, and Four. The second chapter is the one that says that everything must be returned or everything must be paid for in order for the blockade to be lifted.

[Contreras] Returning to Chapter One, paragraph two, which states that the U.S. President must instruct his representative in the...

[Alarcon, interrupting] In the Security Council.

[Contreras] [Words indistinct] in the Security Council, a double mandatory embargo on Cuba. There is a reference to Haiti, since it reads: Just as it was done with regard to Haiti. It is there exactly. I have the English text. You have it there.

[Alarcon] Yes.

[Contreras] I would like you to take time to explain this reference to Haiti.

[Alarcon] The reference to Haiti also has to do with something I mentioned earlier, namely, that this chapter uses a threatening language that goes beyond an alleged compulsory blockade by the UN Security Council, since it talks about a Cuba as a threat to peace and international security, which is the theoretical ground to justify an armed action against this country.

[Contreras] Would this refer to the decision by [words indistinct]?

[Alarcon] Yes, they are talking of Haiti because in this case the UN Security Council adopted specific sanctions. Keep in mind that in the end the UN Security Council authorized the use of force against Haiti, that is, the U.S. intervention in Haiti. That is the old dream of the annexationist. This whole law is a Batista law and of the counterrevolutionary worms that fled Havana on 1 January. From that date on, they have been trying to get the Yankees to return Cuba to them, to get the Yankees to do their dirty work for them, to get them to come here to fight and die, which is what they would have to do.

This law will never be enforced. One would have to come here to try to enforce it, but to do that many U.S. people would have to die or come ready to die. That is what these people are after.

This is why they talk about Haiti. They want to do in Cuba what they did in Haiti, where they sent U.S. troops and were able to change the government. The difference is that here there is something they did not have in Haiti: reasons, weapons, and prepared and courageous people who have also proved they can fight and win."

In Chapter 2, Sub-subparagraph C, the Helms-Burton law indicates it would give military assistance to that conjured transition government, and so on. In other words, it would give assistance to transform the Cuban troops into whatever they should be.

[Contreras] Exactly, to train the Cuban troops to adapt themselves to [words indistinct]. My question is: Should we interpret this sub-subparagraph as a design install a military mission in Cuba again, just like the one that advised Batista about democratic practices.

[Alarcon] First of all, I believe their intention is to eliminate our Revolutionary Armed Forces, our popular military forces, a system that enables us to talk about a war in which the entire population would participate. Ours is a truly democratic army, in which everyone takes part, one in which you, I, and our comrades in the studios — those behind the cameras, the coordinator, and the director — all of us have a specific mission should the need arise to defend our motherland. This is an entirely different, truly democratic, popular, and participative defense concept. What they are after is an old-fashioned Latin American army: the military mission, money, resources, and training. They want to reconvert our revolutionary people's armed forces — the armed people that Camilo talked about — into an instrument to carry out this nefarious plot. The worst kind of repressive Latin American army would be required. Imagine what would be required to snatch every Cuban's factory, land, farm, school, hospital, and house. This would require an army that, I do not know, Pinochet and company would be mere apprentices compared to the repression you would have to imagine for something like this.

[Contreras] There are other issues I would like you to discuss. The U.S. President has a deadline of 60 days to implement the law, but this law is contradictory, complex, and difficult. In addition, its implementation will require the participation of a huge bureaucratic team and will have the obvious [word indistinct]. Can this law be truly implemented?

[Alarcon] I believe the implementation of this law will be definitely difficult. The law — as I said — is already in force, and the aspect regarding the trials in the U.S. courts is expected to become valid as of 1 August. In this regard, there is a very peculiar aspect I would like to discuss. The other day, I was reading some statements by the spokesmen of the State Department and the White House on this same topic. They were asked how this

chapter of the law should be interpreted, how does it work, and so on. They always had the same answer: this is a very complex law; it needs further analysis; we just signed it; and we must study it to see how we will implement it. This is sort of like putting the cart before the oxen. They should have studied this law before passing it so that they would know what they were implementing.

Now, it will not be easy for them to assemble the entire apparatus to pinpoint whether a certain lady trying to enter the United States is the mother-in-law of someone who is trafficking with something, or whether a certain young man who is filing his papers in another immigration office is related to someone who has investments in Cuba. This would all require that that insane apparatus McCarthyism was able to establish be put back in place. It would obviously require large amounts of money. As far as the trials are concerned, it all depends on how many thousands of former large landholders and [words indistinct]. They did not create, uphold, or pay for the passage of this law, but it is the North American [taxpayer] who will be paying for its implementation just to badger some businessman. There is also another potential problem: considering the fact that this is a law, this will set a precedent.

Even if they still have not yet caught on... [pauses] even if the degree of responsible debate on this issue by those who drafted it, voted for it, and signed it, can be questioned, it is still a law. This can inspire anyone to claim that they if [Jorge] Mas Canoso is a U.S. citizen, so are they — just that their ethnic ancestry is different. In that country anyone [words indistinct] against a foreign government. Well, I would [words indistinct] in a federal court. What U.S. federal judge is going to say that as of the approval of this law, the precept indicating that there are two types of U.S. citizens, is a valid one? Those former Batista supports are A1, while all others are A2. The day a federal judge says that he does not agree with that discrimination, and that a U.S. citizen who was Cuban when the problem arose, is entitled to make claims, then he would be validating that an American who was anything else when the problem broke out also has the right to file a complaint. If this takes place, there could be suits filed by every one of the 210 million Americans, with the exception of the American Indians who can justly sue the U.S. Government to demand that the land be returned to them. They would have the right to demand the land that was taken away from them. In other words, how would they implement all of that, in addition to deal with the international challenges, criticisms, not to mention the international opposition. It would seem that these are [illegible] they failed to adequately assess prior to signing the law, however... [pauses]. We already have those fascists who promoted the law threatening the president. Immediately after the signing of the legislation they came out making all sorts of pronouncements. What is their mission now? To keep their eyes open on how the president and administration implements the law. It is a legislation whereby, among other things, the president relinquishes or abdicates fundamental duties which the Constitution and U.S. political practices confers upon all U.S. presidents, and which no other president had ever renounced. This president renounced these basic duties and allowed everything related to the enforcement of a major aspect of U.S. foreign policy to be subject to a law. They are now going to be watching him; he must now respond to Congressional committees for anything he does or does not do with regard to Cuba. I believe the situation they will face regarding this will not be very promising. I believe they will continue to face international pressure, and many people will try to convince them to act like statesmen, to stand a little above the Miami level. But he will have to say: well, I relinquished these duties. I am President but only in certain ways. With regard to this, I am no longer President; I can be considered something else.

[Contreras] Evidently... [pauses] A few days ago I read an article pointing out that since the days of Washington to date, there had been no U.S. President who had transferred executive faculties to congress and to the judicial branch...

[Alarcon, interrupting] Indeed, and all of this allegedly justified by the elections which... [pauses]. I believe we should be ending this interview shortly because, first of all, I would not like to take up much of our viewers time. Second, because this issue is a long one. I believe we should really continue with the suggestion I have made to all our journalists, to you as well, to continue supporting the population in learning, analyzing, and assessing this topic. I am sure that numerous questions, doubts, opinions will arise from this program. Therefore it would be wise if we could prepared to answer them. You were about to say something?

[Contreras] I want to know whether this information I have had access to is true. According to U.S. sources I have consulted in recent days, the total claims made by the first- and second-class U.S. citizens — that is, the U.S. businessmen as opposed to the Batista followers who became naturalized U.S. citizens — and everything dealing with the nationalization (?of properties) starting on 1 January, would be worth $100 billion. In addition, since there is a condition expressly stipulated by the law — in Chapter 2, in three sub-subparagraphs — that to normalize economic, commercial relations and to have the embargo lifted, this conjured, transitional

government would have to commit itself and move along the path to pay this debt. My question is — if you can answer this — how could we pay commitments for $100 billion if this is, in fact, the true amount?

[Alarcon] This was the amount given by the State Department itself several months ago [words indistinct] in which the administration voiced a certain criticism, a disagreement with the bill, and one of the arguments used by the State Department was that to pay these former Cuban landholders would amount to approximately $100 billion. Later, I frankly wondered where the State Department got this figure from, but I thought whatever it is, it is an interesting point of reference. Later, I met a man who played a very active role in drafting and promoting this law and who leads the association of landholders in exile...

[Contreras, interrupting] (Lin Gutierrez).

[Alarcon] (Lin Gutierrez). He came up with this figure. He estimated the value of the properties of the Cuban-born landholders and of those people who lost their properties in 1959 — namely, the Batista followers and landholders. This is the number he came up with. I cannot stake my life on his estimate or any estimate made by the State Department. However, it does give us an idea of the amount of money involved. Anyone [words indistinct] if the blockade will not be lifted until the properties are returned [words indistinct] $100 billion. This means that they are talking about a criminal, total, absolute, and smothering blockade imposed on a nation, a people, and several generations of Cubans. This amount, $100 billion, is many times over the value of our economy, our production, exports (?over many years). How will the Cuban people — if paying this amount were considered fair — pay this amount?

In any case, they would have to pay us a large amount, because all these accounts should be calculated again. Sometimes, there has been talk about how much our claims based on damages caused by the blockade would amount to. If there were no Helms-Burton law, as it was before, some day we might have conceived a possible negotiation to find a solution to the claims by U.S. landholders. However, Cuba has always said — not only on that day — that Cuba also has its claims: the damages caused to our people in Playa Giron and the losses caused by the blockade. It has been said that these damages would amount to $40 or $50 billion. Now, we must also quantify what the embezzlers owe the Cuban people. There is a small detail here. After the revolution took place, a first report was issued by the National Bank of Cuba, which was reconstituted after our triumph. Dr. Felipe Pazos, currently residing in Caracas, is not a figure in the Communist Party of Cuba, but is a distinguished professional and a decent person. In a report dated February 1959, Dr. Pazos accused the pro-Batista people of stealing and taking away more than $400 million from the Cuban currency's stabilization fund. These approximately $430 million — I think this is the figure — were taken out of here. This was the figure at the time. But years have passed, interest has been earned, and now the money must be returned to us. By whom? By the U.S. Government, because when they assumed the thieves' interest, they must also assume responsibility for the thefts, assassinations, and crimes (?perpetrated) by Batista's followers. How do you estimate the value of what they owe the relatives of the victims, the 20,000 Cubans assassinated by those people? How many hundreds of billions of dollars? We have reached a point in which there can't be a settlement. The first step in the advancement toward normalizing ties — I repeat — is to throw this law where it belongs, namely in the garbage can. They would first have to repeal this legislation, and I believe that a good apology to the people of Cuba would also be in order.

It would also be a good idea to try to persuade and convince us that we will not be dealing with a government that attempts to deny our existence, a government despicable enough to attain this degree of ignominy and disrespect toward our national dignity.

[Contreras] Companero Alarcon, thanks for your presence in Studio 11. We have spent 35 minutes talking — in fact, it was you who did most of the talking — about the Helms-Burton law. As you pointed out, however, the subject can hardly be exhausted. The law is nearly 20,000 words long and it still has many nooks and crannies which we can explore some other time. Thanks to our television viewers for our attention to the president of the National Assembly of the People's Government. This program has been aired over the two national channels and all Radio Rebelde frequencies.

Cuba: Commentary Views Helms-Burton Law, 'Miami's Mafia'

PA2603040296 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Mar 95

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Text] During Wednesday's radio and television interview, Ricardo Alarcon stated that the implementation of the Helms-Burton law was difficult. A dispatch from the Spanish news agency EFE datelined in Washington, adds: According to official U.S. sources, the U.S. Government is overwhelmed by the

work it must conduct to implement the clauses contained in the Helms-Burton law. In this case it is befitting to recall that playing the fiddle and the guitar are not the same as it is to give in to Washington's prehistoric right, and then expect the international community to comply with such monstrosity, or for Cuba to follow suit.

In Geneva, Madeleine Albright, U.S. ambassador to the United Nations, stated that her government will implement the law with flexibility. During his interview, Alarcon answered back that no amount of flexibility will do, nor is there any possibility for discussions or negotiations. I do not know if the American political elite is fully aware of the significance of relinquishing presidential duties to a Congress controlled by troglodytes. However, if the goal of Clinton and his advisers was to flirt with Miami's mafia for electoral purposes, I do not think it is going very well for them. Whoever gives in to pressure, legitimizes blackmail. The mafia has its rules, and this is one of them.

A Cuban reporter who lives in the United States, told a few months back that Jesse Helms and Dan Burton are fairly inexpensive. [sentence as heard] All it took was $75,000 each for Mas Canosa to have them eating out of his palm. That is, of course, the down payment. Other payments will follow by different and equally obscure means. Whenever this insidious and shameful page of Yankee politics is a thing of the past, the script of strings and complicities of the Helms-Burton law will come to light with all its ingredients: sex, violence, and adult language. Just as in a Brian de Palma movie, but with an exception, this is not fiction but a disgraceful reality.

The mafia sponsored the Helms-Burton law. The so-called Cuban-American Foundation is a association of Batista groupies, drug traffickers, pimps, wealthy landowners and rum barons, all with records as long as the entire penal code of the any nation, ranging from murder to influence peddling.

Cuba: TV on Foreign 'Rejection' of Helms-Burton Law

PA2503161596 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 23 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] Ten days after the signing of the Helms-Burton law, several governments, parliaments, and personalities today reasserted their rejection of the anti-Cuban measure. For the second time in recent days, the Russian State Duma's lower chamber reiterated its stance condemning the legislation because it violates rules on international law and world free trade. The Russian ambassador to Cuba reaffirmed his government's position rejecting the Law. In Chile, meanwhile, 50 personalities from political and cultural circles called on the nations of the world to contribute effectively toward making Washington's effort to isolate Cuba fail. In Panama, local newspapers reported statements by President Ernesto Perez Balladares on the need to reconsider the measure, because its extraterritorial effects could hurt the Panamanian economy and the trade levels of a significant number of countries. Haitian President Rene Preval, on a visit to Washington, today defended his administration's decision to renew diplomatic relations with Cuba by saying that Haiti is a free and sovereign country. We maintain diplomatic relations with the countries that we choose, Preval said on the last day of his U.S. visit.

Cuba: Minister Meets Uruguayan Official on U.S. Law

PA2603040596 Havana PRENSA LATINA in Spanish 1428 GMT 25 Mar 96

[FBIS Translated Text] Montevideo, 25 Mar (PL) — This afternoon Uruguayan Vice President Hugo Batalla will greet Cuban Deputy Foreign Minister Jorge Bolanos, who will explain to Batalla his country's position toward the Helms-Burton law that aims to harden the U.S. blockade against Havana.

According to local sources, issues of regional and international interest will also be discussed during the meeting.

Last night Bolanos met with his Uruguayan colleague Carlos Perez del Castillo. The positive development of bilateral ties and the possibilities of deepening them this year were underscored.

The two officials pointed out the interest of the two parties in broadening relations in the diplomatic arena, but also in the economic and commercial areas.

In statements to PRENSA LATINA, Bolanos noted his visit reflects the Cuban Government's interest in explaining to the Uruguayans Cuba's position regarding the Helms-Burton law and the situation that led to the downing of the two pirate planes that violated Cuban airspace on 24 February.

He pointed out that his conversation with his Uruguayan counterpart "was long and this allowed the two parties to talk at length about issues of regional interest, Cuba's reintegration to the regional community, and specifically about the Common Market of the South (Mercosur) and the Latin American Economic System (SELA)."

The Cuban deputy minister said he found among the local authorities great understanding about the Cuban situation and strong interest in raising the level of current ties.

Bolanos noted the two parties also discussed ways to bring Mercosur and Cuba closer.

Among others, he mentioned legal and contractual agreements as well as greater reciprocal commercial exchanges between Cuba and the four members of this integration system, namely, Argentina, Brazil, Paraguay, and Uruguay.

Bolanos, who is currently touring several South American countries to explain Cuba's position regarding several issues, arrived here from Brazil, after visiting Argentina, Bolivia, and Chile. The next leg of his tour will be Venezuela and the last one will be Colombia.

When asked about the position of the nations he had already visited, the deputy foreign minister said he noticed a consensus in Latin America to continue to intensify its relations with the island and to unequivocally repudiate that anti-Cuban law.

Bolanos added he noticed a very objective characterization by those states of the Cuban-North American conflict and of the need to do something to resolve this conflict.

He pointed out it is also clear for the region that any problems stemming from this conflict need not affect the South American region's ties with Cuba.

These ties, Bolanos added, are very valuable on their own and not because of what might happen with Washington-Havana relations.

Cuba: Minister Sees 'United Regional Position' on Ties

PA2603013996 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Mar 96

[From the "National Radio News" news]

[FBIS Translated Text] Cuban Deputy Foreign Minister Jorge Bolanos told PRENSA LATINA that in the Latin American countries he visited, he has seen a united regional position on the need to continue intensifying relations with the island and to condemn the anti-Cuban law.

Arriving from Brazil, after visiting Argentina, Bolivia, and Chile, Bolanos will be received this afternoon by Uruguayan Vice President Hugo Batalla, to whom he will explain our country's position on the Helms-Burton law aimed at intensifying Washington's blockade on Havana. In a meeting held Sunday night with his Uruguayan colleague, Carlos Perez del Castillo, Bolanos talked about topics of regional interest, Cuba's return to regional forums, and the Mercosur [Common Market of the South].

Bolanos also said the Uruguayan authorities showed a great understanding of the Cuban situation, and expressed interest in increasing current relations to the highest levels. Both parties, he said, talked about ways to achieve an agreement between Havana and Mercosur, comprising Argentina, Brazil, Paraguay, and Uruguay.

Cuba: Fidel Castro Attends Tourism Development Meeting

PA2503142996 Havana Tele Rebelde and Cubavision Networks in Spanish 0100 GMT 23 Mar 96

[From the "NTV" newscast]

[FBIS Translated Text] Commander in Chief Fidel Castro met for almost three hours last night with the personalities attending the Second Ibero-American Tourism Development Meeting, which concluded this afternoon in Havana. Talks between Castro and representatives from 17 nations focused on matters of mutual interest related to tourism. This annual meeting was first held in 1995 in Palma de Mallorca, Spain.

Haiti

Haiti: Preval Comments on Privatization, Cuban Ties

PA2603013796 Port-au-Prince Radio Metropole in French 1145 GMT 25 Mar 96

[From "The Morning Newscast"]

[FBIS Translated Excerpt] President Rene Preval returned to Port-au-Prince on 24 March after a stay of nearly one week in North America. Preval visited the United States and Canada from 19 to 24 March. Preval first went to Washington to meet with President Bill Clinton and several officials of the U.S. Administration, notably the defense secretary as well as democratic and republican leaders. [passage omitted]

During his stay of about 48 hours in Canada, Rene Preval got political support. The Haitian president, who was received by Prime Minister Jean Chretien, was assured by Ottawa of a firm support in the democratization efforts. We will do all we can to help Rene Preval carry out the very difficult task which is his, Prime Minister Chretien stated. It should be pointed out that during his stay in Canada, Preval was received also by Quebec's Prime Minister Lucien Bouchard. The results of these travels of the Haitian president abroad will be known very soon. In the meantime, Rene Preval has to get ready to face the opposition to his privatization plan.

What is to be added to this visit to the United States and Canada of the Haitian president is that Rene Preval

answered journalists' questions at the Washington National Press Club. Once again, the Haitian president reaffirmed last Friday before leaving Washington his willingness to implement economic reforms and to move forward with privatization. Rene Preval also indicated that one of his objectives was to prompt the private sector to create jobs in the country. Rene Preval insisted on this role that has to be played by the private sector in Haiti.

[Begin Preval recording] The initiatives of my government in order to free the forces of the market clearly express our choices. The contribution potential of the private sector to the economic development is enormous but has never been the subject — until now — of an appropriate or sufficient attention from the public powers. [end recording]

These were statements made by the Haitian president at the National Press Club last Friday before leaving Washington.

On the diplomatic level, the Haitian president has reaffirmed the intention of his government to maintain the decision of his predecessor, Jean-Bertrand Aristide, that is, to restore and maintain relations with Cuba.

[Begin Preval recording] By restoring political relations with Cuba, we have followed the example of most countries in this hemisphere. So, I do not see why today — when we do this deed that many and many other countries have done — it is being questioned in a way that would give the impression that we are doing something singular. [end recording]

Haiti: Survey Reveals Existence of Armed Groups

PA2603034596 Port-au-Prince Radio Metropole in French 1145 GMT 25 Mar 96

[From the "Morning Newscast"]

[FBIS Translated Excerpt] The news in Haiti is this survey in Cite Soleil by the city hall of Delmas. The deputy mayor of the commune of Delmas, on whom the Cite Soleil neighborhood depends, presented to the press on 22 March the conclusions of a survey carried out by his administration in the biggest shanty town of the capital. Violence in Cite Soleil is the main subject of this survey that revealed the existence of about 10 armed groups developing in this area. Listen to this report by Guilleauto Francois.

[Begin Francois recording, in Creole] Cite Soleil, the biggest shanty town of the territory, is a very fragile slum neighborhood. In a document published this week, a document of about 30 pages, Delmas Deputy Mayor Ancelot Esperance brought explanations on the violent situation developing in Cite Soleil. A summary on the analysis Mayor Esperance makes of the crisis the area is experiencing shows that the problems are not going to be solved quickly. Although he does not make important comments on an organized armed group in Cite Soleil, Delmas Deputy Mayor Ancelot Esperance acknowledges that confrontations often happen between several groups in the area. These groups are part of several bases, a total of about nine. Each base includes several armed young men. These people have organized to defend themselves against misery, unemployment, and abuses being committed against them, according to explanations. [passage omitted] [end recording]

Mexico: President Zedillo Pledges To Fight Poverty

PA2503130596 Mexico City XEW Television Network in Spanish 0000 GMT 23 Mar 96

[Report by Gabriela Resendez; from the "24 Hours" newscast]

[FBIS Translated Excerpt] In Guerrero State, President Ernesto Zedillo reiterated his pledge to fight poverty and bring social justice to the most faraway communities in this and other states in Mexico.

[Resendez] President Zedillo arrived in Chilpalzingo, capital city of Guerrero State, bearing a message of peace, harmony, law and justice for this state.

[Begin Zedillo recording] The people in Guerrero State want to live in peace and abide by the law, because these are the keys to harmony. We want harmony to prevail in Guerrero. [end recording]

[Resendez] During a ceremony held in the Chilpalzingo civic plaza, marking the economic recovery of Guerrero's welfare, the president acknowledged the state plurality.

[Begin Zedillo recording] Because, you know, this is a basic element that allows criticism, submission of proposals, disagreement with, and support of — when you believe in it — your authorities. [end recording]

[Resendez] There, Guerrero State Governor Angel Heladio Aguirre, who assumed office 10 days ago, pledged to govern with political openness, dialogue, and conciliation for all ideological and political trends.

[Begin Aguirre recording] My government will fully enforce the law against all those who commit abuses or arbitrary actions against our citizens. I will not allow — as you also do not allow — impunity, regardless of who is involved. [end recording]

[Resendez] He announced that over the next few days, he will disclose a special public security program that will receive a large portion of the budget. Then, President Zedillo and the Guerrero governor signed the 1996 Social Development Agreement for Guerrero. President Zedillo also announced the allocation of federal resources worth 8.4 billion pesos, delivered checks to three mayors, and pledged to support the consumption of tortilla, milk, and school breakfasts. Later on, he went to Las Vigas ejido in Costa Chica in Guerrero State, a faraway village that can only be reached over an unpaved road. There he headed the Guerrero Alliance for Agriculture, announcing to farmers the availability of resources worth 340 million pesos.

[Begin Zedillo recording] Let no one be left out. [applause] Let us not make distinctions between political parties. These resources belong to this nation, and all have the right to share them. [end recording]

[Resendez] The president heard the obvious fact from the farmers themselves: 60 percent of the people in Guerrero State live in utmost poverty. [passage omitted]

Mexico: Report on Minimum Wage, Tortilla, Fuel Prices

PA2503040896 Mexico City Radio Red Network in Spanish 0000 GMT 23 Mar 96

[Report by Gloria Hernandez; from "The Night Monitor" newscast]

[FBIS Translated Excerpt] Javier Bonilla, secretary of labor and social welfare, announced that beginning on Monday, 1 April, the minimum wage will increase, as well as the prices for a kilogram of tortilla and for fuel and electricity.

At the last minute, the Economic Council and labor and employers representatives held a news conference to announce that the minimum wage will increase by 12 percent beginning 1 April. What does this mean? This means an increase of 2.74 pesos daily or 82.43 pesos per month. The minimum wage will now be 686.93 pesos, that is, 22.89 pesos per day.

Moreover, the labor secretariat reported that the credit for wages will increase for those who earn up to three times the minimum wage. Therefore, the number of tax-exempt workers will increase by 3 percent. However, he pointed out that it was necessary to adjust tortilla prices. Beginning on 1 April, the price for a kilogram of this product will go up from 1.10 to 1.40 pesos, an increase of about 30 percent. Here is an excerpt of Bonilla's comments:

[Begin Bonilla recording, in progress] ...in the Federal District, the subsidy for tortilla consumption will be maintained. However, in order to reduce unacceptable marketing practices for corn, the production sectors and the Federal Government have agreed to increase as of 1 April tortilla prices only in the metropolitan area of Mexico City up to 1.40 per kilogram so as to match prices prevailing in the rest of the country. [end recording]

Guillermo Ortiz Martinez, secretary of finance and public credit, explained that negotiations with the labor sector will continue to reduce income tax and benefit workers who earn the lowest wages. Nevertheless, he noted that the government's finances should recover somehow through other tax adjustments, which will

be announced next September. It would be early or premature to point out what these might be. Ortiz Martinez explained that the government will contribute 0.12 percent of the GDP for this credit subsidy for wages.

[Begin Ortiz recording] This is equal to some 2.8 billion new pesos. This will be the fiscal [word indistinct] in this area. In addition, the government will help correct the Conacot [expansion unknown]. Obviously, as was said earlier, it will increase the coverage to subsidize milk and school breakfasts. [end recording]

Herminio Blanco, secretary of commerce and industrial development, said none of these measures guarantees that there will be no new price adjustments for the remainder of 1996. Labor Congress [CT] President Rafael Riva Palacio Pontones said the announced measures were urgently needed and, therefore, he supported them.

[Begin Riva Palacio recording] This means that about 70 percent of workers will be tax-exempt, because 70 percent of workers earn between one to three times the minimum wage. It should be noted that this decision was necessary. Later on, we will hold a CT meeting. These times made this measure necessary. [end recording]

Meanwhile, Business Coordinating Council President Hector Larios Santillan stated that a great effort was made to grant an additional 2-percent increase given the difficult situation their businesses are going through.

[Begin Larios recording] We have made this effort to facilitate the progress of the Alliance for Economic Recovery [ARE]. It is of utmost importance for our economy to recover so as to alleviate somehow the problems faced by Mexican families. [end recording]

Despite all of this, the sectors that have signed the ARE estimate that inflationary pressures in our economy will begin decreasing in April. [passage omitted]

Mexico: Secretary Urges Reform, Respect for Pluralism

PA2503041496 Mexico City Radio Red Network in Spanish 0000 GMT 22 Mar 96

[Report by Victor Manuel Suberza Blanco; from "The Night Monitor" newscast]

[FBIS Translated Text] In the framework of celebrations marking the 190th anniversary of the birth of the glorious son of the Americas, Benito Juarez, there was a ceremony held here in Mexico City. The event was led by Government Secretary Emilio Chuayffet Chemor, who was the keynote speaker on behalf of the Mexican Government. We have a report by Victor Manuel Suberza. He has an account of what happened during this political ceremony. Victor Manuel Suberza, good afternoon.

[Suberza] Good afternoon. Government Secretary Emilio Chuayffet specifically talked about the need for state reform in Mexico. The government secretary went over the backwardness, the problems of poverty that need to be resolved. He also went over the electoral issue and said there is a need for a new electoral law in Mexico. Chuayffet said the political reform proposed by the government is a necessity that can no longer be postponed. He said society demands reforms because the current norms, institutions, and practices are outdated and no longer in step with Mexico's reality.

Our country requires urgent changes to face a much more pluralistic society, which has endured 20 years of economic upheavals. Mexican society requires changes because of the social backwardness that can no longer be hidden and because of the vertical, paternalistic, and exclusive exercise of public power. The government secretary said Mexicans want to fully exercise their freedoms and want a real balance of powers, not subject to any domination.

[Begin Chuayffet recording] We want a more perfect democracy, in which there can be open and fair competition for power. We want a democracy in which the only advantage is the honestly won vote. We want a democracy that can make possible a political culture that respects pluralism and does not destroy the adversary. We want a democracy beyond speeches or methods. We want a democracy that can make Mexicans feel that our decisions are really setting the course for our community living and that those responsible for guiding us are properly appointed. [end recording]

Chuayffet added that the change required in Mexico also calls for changes to the federal system so that government action at its three levels — municipal, state, and federal — is more efficient. He said the country needs a federal system that excludes bottlenecks and local feuds set up for corruption.

Emilio Chuayffet said Mexicans want equal rights and opportunities before the law for everyone. He said those violating public order should be punished. He added that justice should be openly applied and impunity should be eradicated.

In another part of his speech, the government secretary recognized that poverty is our biggest moral burden and that is why we must fight it.

The government secretary made these statements during the ceremony to commemorate the 190th anniversary

of the birth of Benito Juarez, a ceremony headed by President Ernesto Zedillo in the company of his entire cabinet. That is the information we have now.

Mexico: Roundup of Economic Developments Through 23 Mar

PA2603010496

[FBIS Report] The following is a compilation of reports on economic developments in Mexico monitored through 23 March.

Mexican Petroleum, Pemex, reported earnings of 84.970 billion pesos, before taxes and royalties, up 70 percent from 1994 figures. Operation losses were cut from 3.6 billion pesos in 1994 to 693 million pesos in 1995 in Pemex-Refinery (Refinacion). Pemex-Petrochemical went from a loss of 331 million pesos in 1994 to a profit of 2 billion in 1995. The oil industry paid the national treasury a total of 107 billion pesos in direct and indirect taxes and royalties. (Mexico City EL FINANCIERO in Spanish 18 Mar 96 p 28)

The Secretariat of Finance and Public Credit, SHCP, has announced that it will exempt workers earning the equivalent of up to 4.5 minimum wages from paying income tax. Sources stated that the measure will involve a cost of .3 percent of the GDP estimated for 1995. (Mexico City EL FINANCIERO in Spanish 18 Mar 96 p 9)

The National Institute of Statistics, Geography, and Information Science (INEGI), has reported that in January and February of this year, the unemployment rate was 6.4 percent and 6.3 percent, respectively. (Mexico City LA JORNADA in Spanish 19 Mar 96 p 44)

Last year, Pemex received loans for $10.474 billion. Of that amount, 7.694 billion came from restructured loans and $2.780 billion from new loans. Pemex earmarked the new loans for exploration, production, refinery, and processing activities, and to finance its foreign commerce and the activities of PMI Norteamerica, a Houston-based subsidiary that Deer Park refinery together operates together with the Shell Oil Company. Regarding amortizations, Pemex paid 10.174 billion in 1995. (Mexico City EL FINANCIERO in Spanish 20 Mar 96 p 27)

Angel Gomez Cruz, director of the Center for Economic, Social, and Technological Research for World Agriculture Agroindustry, has reported that the sale of organically grown farm products has generated $40 million in foreign currency, which is a 100-percent increase compared to three years ago. (Mexico City EL FINANCIERO (ANALYSIS Supplement) in Spanish 20 Mar 96 p 15a)

A Mexico City, 19 March datelined item, which cites a Pemex report on its activities for 1995, stated that the country's proven petrochemical resources dropped from 69 billion barrels in late 1989 to 62.058 billion barrels in 1995. (Mexico City NOTIMEX in Spanish 1755 GMT 20 Mar 96)

The INEGI announced that wholesale activities by commercial firms located in 33 urban areas throughout the country during the end of January had recorded an annual decline of 14.1 percent, while retail activities had decreased by 5.8 percent. (Mexico City LA JORNADA in Spanish 20 Mar 96 p 44)

The creation of an Association of Tour Operators to Cuba (Atomac) with the objective of increasing the number of Mexican tourists travelling to the island was announced today in this city by 12 agencies involved in organizing tours to this country, according to a 20 March report datelined Mexico City. This agency is being created at a time when tourism begins to improve in Mexico after the drastic decline that took place during 1995. (Havana PRENSA LATINA in Spanish 1659 GMT 20 Mar 96)

The federal government decided to purchase 13 percent of the Mexican banking system's gross portfolio, according to an announcement by Manuel Ramos Francia, financial planning director of the Secretariat of Finance and Public Credit (SHCP). The official added that by means of the Temporary Capitalization Program (Procapte) it has been possible for the federal government to restructure 39 percent of all bank portfolio. The SHCP official pointed out, during a conference on Mexico's fiscal policy, that positive signs have been recorded showing that the economy is slowly reactivating. He indicated that by the end of 1996, Mexico expects to record a 3 percent GDP growth, and a 20.05 annual inflation rate. (Mexico City LA JORNADA in Spanish 21 Mar 96 — received via Internet)

Bank of Mexico announced that during the first two months of the year, the country's multiple service banking institutions were able to attract 19.5 billion pesos by offering investments in traditional papers and money market instruments. However, the bank also disclosed that during the same period, private banks decreased the amount of funds granted to the public and private sectors by 4.2 billion pesos. (Mexico City LA JORNADA in Spanish 21 Mar 96 — received via Internet)

The number of tourists travelling from Mexico to Cuba increased by more than 10 percent during 1996,

according to a 21 March report datelined Mexico City. The report adds that Cuban authorities anticipate that this percentage increase will be surpassed during the remainder of the year. Cuban Tourism Deputy Minister Juan Pita Romero, explained that more than 50,000 Mexicans visit Cuba each year, although the number declined by 30 percent during 1995 on account of the severe economic crisis Mexico is undergoing. The deputy minister also pointed out that by building up its tourism industry Cuba does not intend to displace any country of the area but to transform this sector into another element of regional integration. (Havana PRENSA LATINA in Spanish 1713 GMT 21 Mar 96)

During the first 15 days of March, Mexico recorded a 1.08 percent monthly inflation rate with respect to the month of February, and a 7 percent increase in its Consumer Price Index (CPI), according to a 22 March report datelined Mexico City. The Bank of Mexico reported that the increase recorded in the CPI during the past three months was due mostly to the increase in the prices of poultry, beef, telephone and electricity services, restaurants, garments, and beverages. In addition, price increases were also recorded in the price of beer, tortilla, bread, furnitures, household goods, fish, seafood, sugar, beans, toothpaste, gas for household use, gasoline, vehicle ownership and insurance, soap, detergents, and toilet paper. On the other hand, accumulated inflation rate, according to the Bank of Mexico, reached 7 percent during the first 75 days of the year, after settling at 3.59 percent in January and 2.33 percent in February. (Mexico City NOTIMEX in Spanish 0054 GMT 23 Mar 96)

Guatemala

Guatemala: Army Downplays Attack on Military Detachment

PA2603042396 Mexico City NOTIMEX in Spanish 2334 GMT 22 Mar 96

[FBIS Translated Text] Guatemala City, 22 Mar (NOTIMEX) — The Guatemalan Army said today it will respect the cease-fire decreed by the guerrillas and government on 20 March despite an attack presumably carried out by the guerrillas yesterday against a military unit in northern Guatemala.

"We (the Army) received orders from President Alvaro Arzu to suspend counterinsurgent actions, and we will respect them," said Colonel Guillermo Caal Davila, chief of the Army Information and Press Department.

The military man downplayed an attack on the Monaco Military Detachment on the evening of 21 March in the northern El Quiche Department that claimed no casualties, and he attributed it to a lack of communications between the rebels and their insurgent general command.

Caal added, aside from the attack in El Quiche, about 260 km from the capital, the truce has been maintained with mutual respect and guarantees.

He noted the armed institution hopes communications between the guerrillas and their command will be established to ensure this type of incident is not repeated.

The insurgent Guatemalan National Revolutionary Unity (URNG) and the government agreed separately on 20 March to call an indefinite cease-fire.

Optimistic political sectors described the cease-fire as the deactivation of the armed struggle in Guatemala that has lasted more than 35 years and claimed some 175,000 dead.

Honduras

Honduras: Military, Political Leaders on Readiness, Budget

PA2603002396 San Pedro Sula TIEMPO in Spanish 21 Mar 96 p 3

[Report by Daniel Serrano]

[FBIS Translated Text] Zambrano — The Armed Forces yesterday summoned the presidents of the three branches of the state to the First Artillery Battalion headquarters to explain the alleged dramatic budget and human resources situation that institution is facing.

That meeting, the purpose of which was — according to the Armed Forces — "to inform the sovereign Congress of the need to have human, economic, and material resources for the national defense," was held behind closed doors and amid great secrecy.

This event, which lasted more than two hours, was attended by, among others, Armed Forces Chief General Mario Hung Pacheco, President Carlos Roberto Reina, Congress President Carlos Flores Facusse, Chief Justice Miguel Angel Rivera Portillo, approximately 20 deputies (from three parties), and the Higher Council of the Armed Forces.

The objectives of the briefing, according to the military officers, was to inform deputies of the Armed Forces reality; its effective capacities and limitations; willingness and interest to strengthen the military; and the need for the state to maintain a defense and security scheme compatible with the nation's geography.

The first part of the briefing, which centered on the government, was divided into interests, objectives, strategies, national power factors, domestic and foreign threats, policies, doctrines, and programs.

Later, civilian authorities were briefed about the mission, organization, functions, capacities, limitations, minimum strength, and budget of the Honduran Armed Forces and the military from the rest of Central America.

Once the briefing was completed, the leaders of the three state branches began a tour of the different tables that had been set up out in the open to show part of the weapons and resources the different branches of the Armed Forces have.

General Roberto Lazarus, chairman of the Joint Chiefs of Staff, who explained during the tour the function of each weapon and device, then led all participants to the place that had been prepared, atop a hill, as an observation point for military maneuvers.

Among other things, participants were able to observe, some using binoculars, helicopter (UH-1H) rescue and infiltration operations, precision firing with 105mm and 155mm howitzers as well as 160mm mortar; armored cavalry exercises (Scimitar, Scorpion, and Paladin), and infantry exercises.

Meanwhile, Deputies Raul Pineda, Lorenzo Flores, Antonieta Handal, and Maria de la Paz Rivera, as well as Vera Rubi, secretary to the Congress president, took the opportunity to fire a machine gun.

The military had planned to impress civilian authorities with the flight of F-5 and A-37 Tucano planes, but this was not possible due to bad weather.

Nicaragua

Nicaragua: 'Embargo' on Sandinist Media Criticized

PA2503152396 Managua BARRICADA in Spanish 21 Mar 96 p 4

[Report by Pablo Emilio Barreto]

[FBIS Translated Text] Yesterday, Carlos Guadamuz Portillo, director of Radio Ya, denounced the attempts being made to embargo and drown out the Sandinist media as nothing but a coarse political maneuver and an attack on freedom of expression. Radio Ya is facing this kind of pressure from the National Institute of Social Security [INSS].

Guadamuz Portillo noted that Radio Ya's payment arrangements with Social Security officials for several months have been to no avail because, after a while, those same officials fail to comply with the arrangements "even if one shows up with a check to make a payment on the debt."

This INSS position has moved Guadamuz Portillo to affirm that behind embargo undertakings there are motives different from just an attempt at recovering overdue payment from more than 100 private and state enterprises in the country, motives that go especially against the Sandinist media.

The candidate for mayor of Managua wonders why the INSS does not embargo enterprises such as OCAL, owned by the Lacayo family; or the property of Mantica or Pellas, who employ thousands of people and are the largest INSS debtors; or the Office of the Mayor of Managua, with debts close to 50 million cordobas.

Guadamuz Portillo said that to justify embargo attempts against the Sandinist media, the authorities have announced that they will proceed in similar fashion against Radio Minuto, but for only 12,000 cordobas.

Guadamuz said that the intention to embargo BARRICADA goes against freedom of expression and is a repressive political measure by the government. He wonders why similar measures are not adopted against LA PRENSA and other private enterprises that have larger debts than the Sandinist media, which has sought thousands of ways to negotiate and pay their debts.

Guadamuz Portillo believes that this is a political offensive by the government against the Sandinist media, especially now when the general elections of October are near.

Guadamuz said it is necessary that all the debtors form a front to pressure the government into negotiating so that reasonable payment agreements, with allotments in line with the difficult economic position of poor private enterprises and municipal institutions, may be secured.

Nicaragua: Daily Protests Government Action Against Press

PA2503160196 Managua BARRICADA in Spanish 21 Mar 96 pp 1, 8

[Editorial: "Somozism Does Not Scare Us"]

[FBIS Translated Text] Foiled attempts to embargo BARRICADA assets represent one of the most serious attacks carried out by the Chamorro government against freedom of expression.

Simeon Rizo, minister of the National Institute of Social Security [INSS], is acting on behalf of an institution that he has terribly distorted and against which he has devised a checkmate-move: The shameless swindle called "privatization."

Our newspaper does have a debt with the INSS. We inherited it from the administration of Carlos Fernando Chamorro Barrios, but we have also made every possible effort to reach a reasonable agreement with Rizo so that the state may recover what lawfully belongs to the state, but also so that this enterprise, which we received almost in bankruptcy, does not collapse.

It was Mr Rizo, not us, who has prevented this kind of agreement. It was Rizo, not us, who disqualified his own advisers.

Rizo's legal claims hide an underground political goal by the government and its allies: They want to prevent, at all costs, a Sandinist National Liberation Front [FSLN] victory in the October elections.

Behind the coarse maneuver is the political will of those in the government, in the extreme-right national political parties, and in the [U.S.] Capitol who want to crush the most important leftist revolutionary force not only of Nicaragua but of the entire American continent.

These are not mere attempts at closing BARRICADA. If we were to allow this closure, any pretext would do to see that BARRICADA is followed by Canal Cuatro Television, Radio Ya, Radio Sandino, La Primerisima, and other radio stations with connections to the FSLN. They know that this media represents an authentic source of power in the country.

For example: The three Sandinist radio stations muster 80 percent of the national audience and their newscasts have the greatest potential in influencing public opinion. Those who want to reimpose an oligarchic and Somozist

system in the country, of whom Rizo is a notorious tool, find this clout, this FSLN clout, intolerable.

Canal Cuatro maintains a solid second place among television viewers and it is already presenting a challenge for first place. We of BARRICADA are not forgiven for doing a Sandinist, plural, and different kind of journalism, for being an alternative, and because neither its owners nor its directors belong to the Chamorro family, which is used to monopolizing the country's printed media.

But this is not all. We cannot ignore the daily bloodbath in the country's northern and central region, where criminal bands that the Constitutionalist Liberal Party justifies and sponsors, murder Sandinist peasants, set fire to farms and harvested farm products, rape women, girls, boys, and elderly women, and terrorize the population to keep them from voting for the FSLN.

The government promotes this bloodbath in that it does nothing to prevent it.

The killings in the north and the maneuvers to finish the Sandinist media are seriously threatening the election process. If elections cannot be held, this will be the absolute fault of the government, which must become aware of this and assume the consequences.

We Sandinists want to make this clear: We will not permit the closing of BARRICADA or any kind of aggression against our media and we are not going to remain with our arms crossed while our peasant brothers are being massacred.

We are not going to turn the other cheek. We are going to act with intelligence, force, and resources to prevent the Somozists, who have powerful allies in the government, from reaching their objectives. We are not going to permit Rizo or any other minister to seize, under any circumstance, what is rightfully ours.

Throughout the six years of this neo-liberal hell, we have demonstrated that we are a vital political force and part of our vitality emanates from the fact that we fight for our rights and for the rights of the people and that we fulfill our promises.

Panama

Panama: President Requests Correction of Helms-Burton Law

PA2503132596 Panama City Telemetro Television Network in Spanish 1730 GMT 22 Mar 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] President Ernesto Perez Balladares requested that the Helms-Burton law, which stiffens the U.S. embargo on Cuba, be corrected, because it may hurt the Panamanian economy. The president made those remarks during last night's dinner attended by U.S. Secretary of Commerce Ronald Brown and Panamanian and U.S. businessmen. The Helms-Burton law is an instrument which includes extraterritorial elements that could harm our economy and the commercial activity of a significant number of U.S. allies and friends, the president remarked. The Colon Free Zone Users Association estimates that companies that do business in this free zone may lose $300 million with the implementation of the law.

Panama: Daily Views Negative Impact of Helms-Burton Law

PA2503151496 Panama City EL UNIVERSAL DE PANAMA in Spanish 24 Mar 96 p 10

[Editorial: "Defending the Economy"]

[FBIS Translated Text] In a speech delivered at the gala dinner hosted in honor of visiting U.S. Commerce Secretary Ronald Brown, President Ernesto Perez Balladares made the Panamanian message to the U.S. Government very clear, regarding the harm that the Helms-Burton law will inflict on the local economy due to sanctions imposed on countries that do business with Cuba. The aforementioned legislation creates an internal problem because the Executive cannot bar businessmen from maintaining trade relations with any country. However, the capacity for reprisal that this law confers on the United States will noticeably affect our service sector, inflicting severe damage on our economic activity in a manner that is not compensated for by the United States.

The arguments Panama has outlined are important because the country maintains a policy open to the development of free enterprise at a time when it is planning changes in state protectionism. And, these changes entail the reorientation of the business sector in order to modernize its activities and make it competitive in the world market. In this matter, even Secretary Brown has noted that our country is suitable for tertiary investments such as telecommunications, transportation, tourism, and manufacturing, which are buttressed by the canal infrastructure that promotes the development of services.

Subordination to legal provisions, such as the Helms-Burton law, understandably hurts the development of these activities at present and in the future.

Panama: Foreign Capital Called For in Canal Area

PA2503194196 Panama City MAGAZINE DOMINICAL EL SIGLO in Spanish 24 Mar 96 p 8

[Article by Blas Julio]

[FBIS Translated Text] J.J. Vallarino, an industrialist, has told MAGAZINE DOMINICAL that Panama is not capable of investing in the reverted canal areas and for this reason it is necessary to bring in foreign capital to satisfy this need.

The Panamanian and foreign media have denounced the poor condition of the buildings delivered or returned to Panama by the U.S. Government.

When asked if the future of the military bases' employees would be in danger after the U.S. troops leave Panama, Vallarino said that it would be insincere of him to say that their economic stability is certain.

"But," Vallarino noted, "there is no doubt that we are doing all we can to help these people find jobs."

Vallarino said that according to a report prepared by the U.S. military, whose concepts have the endorsement of the Panamanian Government, approximately 5,000 or 6,000 base workers will face this situation.

Vallarino noted that many employees have lost their military base jobs because more than 1,000 soldiers have already left. "Each of these soldiers had a family and in each family two or three persons was employed. As you can see, the effects of this situation are significant," Vallarino said.

The industrialist announced that links are being established to motivate U.S. businessmen to invest in Panama to help resolve the unemployment situation.

Regarding the recent visit by 45 U.S. businessmen to Panama, Vallarino said that this is nothing but a message to the world that Panama and the United States have the most absolute intention to continue being friends.

The object of this meeting between U.S. and Panamanian businessmen was to turn the friendship between the two nations into a commercial relationship because it is evident that if our country is going to make progress, we need investments," Vallarino, who is also president of Coca-Cola in Panama, said.

The potential U.S. investors who visited Panama were accompanied by Commerce Secretary Ronald H. Brown.

Brown said during a news conference on Thursday that the United States realizes that it has to pay attention to Latin America and that his country and Panama currently have a very special relationship, a transition relationship that is very good for the two nations since the focus is on commerce and not on military affairs.

Panama: President Establishes Foreign Commerce Council

PA2603011196 Panama City LA PRENSA in Spanish 25 Mar 96 p 27A

[Report by Gisela Vergara S.]

[FBIS Translated Text] Panamanian President Ernesto Perez Balladares signed last Thursday, the executive decree that establishes the Foreign Commerce Council [Consejo de Comercio Exterior]. This office will be in charge of designing and implementing the country's commercial strategy at an international level.

The Foreign Commerce Council, which will be presided by Miguel Heras, the Deputy Finance and Treasury Minister, will comprise the following deputy ministers: Jose Troyano of commerce and industries; Manuel Miranda of agricultural development; and Carlos Vallarino of planning and economic policy.

According to the executive decree, one of the council's tasks is to design a strategy that will allow Panama to enter multilateral, regional, and bilateral commercial agreements in accordance with national foreign commerce strategy guidelines.

The Foreign Commerce Council will operate at a presidential level and will use Panama's negotiating team to enter WTO, according to government sources.

Carlos Ernesto Gonzalez Ramirez, the technical unit coordinator in the process to adhere to WTO, said he and the negotiating team intend to cooperate with this endeavor "as this will give coherence and continuity to the commercial opening process."

It is expected that the WTO Council will approve the country's adhesion protocol in June.

Gonzalez Ramirez explained that the country still has to define its commercial relations with the United States, with the NAFTA or a bilateral agreement.

Panama, which does not belong to any commercial bloc, is an observer in the Andean Pact and in the Central American integration negotiations.

The deputy ministers will negotiate, having the president of the Republic's prior authorization, all foreign commerce agreements, treaties, and multilateral, regional, or bilateral pacts.

Gonzalez Ramirez stated that we can further bilateral negotiations or join one of the blocs but "personally, I believe that, more than look for export markets, the

main factor we need to assess is with which will we obtain investments."

The options are Mexico, NAFTA, Mercosur [Common Market of the South], Andean Pact, Central America, United States, and Chile.

The entry to NAFTA would have to be on the same terms as Mexico, United States, and Canada, "thus, the internal transformation would be drastic," the negotiator stated.

He considers it is best to negotiate as a country and not as part of a commercial bloc as Chile is doing.

Meanwhile, last week, Latin American representatives met to discuss the creation of the Free Trade Area of the Americas, which is expected to be in operation by the year 2005, "although every one is aware that this is no easy task."

Panama: Official Says Canal Alternative Studies Imperative

PA2603042196 Panama LA PRENSA in Spanish 25 Mar 96 p A8

[Report by Aquilino Ortega Luna]

[FBIS Translated Text] Panamanian Foreign Minister Gabriel Lewis Galindo stated yesterday that it is imperative for the Panamanian Government to update the study on canal alternatives.

He also said it is quite probable that the third set of locks will be built ahead of schedule.

"We have to make urgent decisions for the future, because the canal has to be able to handle the growing international marine traffic," he indicated.

Lewis Galindo added that the country has to look for new alternatives to improve the use of the ocean pathway, because already there are many ships that cannot use the canal because it is not large enough.

"We have to update the canal alternatives study to conform to current realities. When the study was presented, it recommended that a third set of locks be built before the year 2010. However, the situation in the maritime world has changed," the foreign minister observed.

He explained that the globalization of the economies after the collapse of the Soviet Bloc, the rise of China as a maritime power, and the wakening of southeastern Asia have changed the situation altogether and make it necessary to update the study.

"It is very probable that we will have to start building the third set of locks before the year 2010," he stressed. However, we can only do this, said the foreign minister, with the cooperation and help of all Panamanians.

He emphasized that, during President Ernesto Perez Balladares' upcoming trip to Europe, they will tell the businessmen that Panamanians will manage the canal efficiently after the year 2000, because the "Europeans are very interested in hearing this."

Argentina

Argentina: International Support Sought Against Britain

PY2603030296 Buenos Aires TELAM in Spanish 1729 GMT 23 Mar 96

[FBIS Translated Text] Buenos Aires, 23 Mar (TELAM) — A source close to the Foreign Ministry has stated that Argentina — basing itself on international law — is taking steps to obtain the support of other countries to undertake a diplomatic offensive against Britain's intentness upon collecting fees for fishing licenses in the South Georgia Island's 200-mile limit.

The Foreign Ministry source told TELAM: "Argentina is confident of the solidarity of friendly countries and of the authority of international organizations in that a categorical diplomatic response will be given to the UK's intentness upon collecting fees for fishing licenses in the South Atlantic."

The source noted that "Argentina counts on the solidarity of the countries of the hemisphere, which is reflected in the joint declaration signed with Chile on 19 March and in the Latin American Parliament's denunciation of Great Britain's bellicose attitude in the South Atlantic."

It is deemed that Rio Group member countries and Mercosur [Common Market of the South] member countries — whose representatives held talks with Argentine Foreign Minister Guido Di Tella in Cartagena de Indias on 21-22 March during the Free Trade Area of the Americas Ministerial Summit — will adopt a similar position in the forthcoming weeks.

The source stated: "The foreign minister's presentation before international fora will be complemented by the meetings he will hold with UN Secretary General Butrus Butrus-Ghali and OAS Secretary General Cesar Gaviria."

"The foreign minister will also submit a report to the UN Security Council authorities," added the same source.

"Di Tella will travel to New York to this effect. We are still coordinating his agenda, but we deem that he will not travel before 8 April," declared the same source.

It is expected that by that time, the UN secretary general will have returned to New York from his trip to Asia, where he traveled in response to the conflict between the PRC and Taiwan, which threatens peace in that area.

Prior to Di Tella's trip, Luis Mendiola and Osvaldo Rebagliatti, the heads of the Foreign Ministry Malvinas Department and Antarctica Directorate, respectively, will travel to the United States to provide technical explanations about the conflict to international organizations.

The source added that Argentina "also made two presentations before the Convention on the C[illegible]rvation of Antarctic Marine Living Resources, a sp[illegible]f from the Antarctic treaty, to denounce the illegiti[illegible]cy of Britain's decision."

The source made it clear that "the first presentation was to challenge the UK's intentness upon carrying out a unilateral administrative act in waters over which sovereignty is under contention. The objective of the second presentation was to protest the illegal detention of a vessel sailing under the Chilean flag which had on board an Argentine biologist traveling in an observer capacity."

The source remarked that Di Tella also expects to meet with U.S. Secretary of State Warren Christopher in Washington "to inform him of the situation."

The source further stated: "We do not expect that the United States will take any special step, but we consider that it is important to keep it posted about our negotiations, agreements, and disagreements with Britain, as we do with the other friendly governments of important countries."

Christopher was in Buenos Aires on 29 February, within the framework of a tour of South American countries that sought to convey the U.S. Government's interest in its relations with the nations located in the Southern Cone.

The presence of the U.S. secretary of state coincided with the beginning of negotiations between Argentina and Britain concerning a long-term fishing agreement for the South Atlantic.

This notwithstanding, negotiations were abruptly interrupted when the British insisted on their unilateral decision to collect fees from fishing vessels to grant them a license to operate in South Georgia Island's exclusive economic zone as of 1 March, which marked the beginning of the black hake season.

In concluding, the source said: "No new meetings have been scheduled so far to discuss this issue. We believe that as long as uncompromising positions are not reviewed, it will be impossible to recreate an atmosphere to continue seeking an agreement."

Argentina: Government Urged To Consolidate, Avoid Dispute

PY2603115796 Buenos Aires LA NACION in Spanish 16 Mar 96 p 6

[Editorial: "Bickering Within the Government"]

[FBIS Translated Text] Once again, the Argentine public has received a serious shock in the aftermath of the conflicts that have shaken the federal government to its very foundations. The clashes between the economy minister and government officials who deal with the political area of the state — without excluding the president himself — have escalated, reaching such a degree of hostility that the public perceives serious risks in this long succession of disputes that seem endless.

Indeed, when bickering started — well before [Economy Minister] Domingo Cavallo's allegations about the existence of mafias — it was put down to the clash between strong personalities, to normal differences of opinion between members of any working team, and even to logical political aspirations. Today, the public sees that what lies behind each quarrel is a pent-up struggle involving obscure economic interests — interests which cannot stand by themselves without political support — as well as an authoritarian and corporatist bent in achieving, using, and maintaining power.

Perplexed, and deeply concerned, the public witnesses this war of attrition and sees that each encounter tarnishes the image of the administration and government officials, saps confidence in the stability of the Argentine currency and economic policy, and weakens the credibility in institutions. The sectors which mobilize capital and investments seek to avoid risks by investing elsewhere and those who live or try to live by one's work — the great majority — fearfully sense that the recession may continue unabated and, along with it, the agony of unemployment, underemployment, and wage cutbacks.

Even though alliances and disputes frequently flare up and are settled time and time again, there is always someone who — judging by the tenor of this new clash — contends that Cavallo and [President Carlos] Menem have virtually reached the end of the line together. Over the last few years, the economy minister has been a central figure for the incumbent administration's credibility and its economic policy. Any act that may lead to his removal from office should, therefore, be carefully assessed. It has been said time and again that the true success of the economic plan will be proven when it can be depersonalized by severing its links from its technical mentor and its political supporter — i.e. Cavallo and Menem. Nevertheless, it is doubtful that this is the most appropriate moment to undertake such an experiment.

This is not only due to the fact that two or three thousand ministers, bankers, and businessmen from all over the world will be coming to Buenos Aires in a few days to attend the Inter-American Development Bank meeting and that it would be advisable to show them an image of political harmony and of economic trustworthiness. Argentina finds itself in the midst of a structural adjustment, which requires a sustained and firm action to consolidate what has been done so far and avoid a painful retrogression, if not to continue making headway along the chosen path.

Above and beyond personal differences and political or sectorial rivalries, the Menem administration ought to calm down and show coherence while striving to achieve the objectives with which the public has entrusted it. When the head of state talks about the mandate the people have conferred upon him, he should not forget the decisive influence of the economic policy on the support he obtained at the polls.

A political turn-around that bypasses the need to put the provinces' financial house in order, to streamline social security, to overhaul state-run medical aid and social services, to render labor relations more flexible, to carry out reforms in collective bargaining, and to reduce taxes levied on wages would not be coherent with what has been done thus far. The establishment of a National Labor and Employment Council — a tripartite body empowered to become involved in the designing of labor and social measures as well as economic and budgetary ones — in response to trade unions' pressures, casts doubt on these transformations. Moreover, the fact that this council has been set up with the exclusion of the economy and labor ministers makes it, in fact, a substantially political council, whose recommendations will be essentially political.

The Menem administration and the economic authorities ought to proceed with extreme caution at this difficult juncture in order not to spoil their unquestionably significant endeavors. A frustration would not be the failure of the economic authorities, or of the incumbent administration, or of the ruling party, but rather that of the entire Argentine society, which trusted in a project, voted for it, and made its decisions on the basis of that project.

Argentina: Radical Civic Union in Socialist International

PY2503152096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2124 GMT 22 Mar 96

[FBIS Translated Text] Buenos Aires, 22 Mar (NA) — Former President Raul Alfonsin today said that he favors the proliferation of "pluralist democracies, but without hunger, blood, and blockades." Alfonsin made these remarks before the Latin American Committee of Socialist International [IS] that met in Santo Domingo. The Radical Civic Union [UCR] formally joined the organization on this occasion.

"These meetings must serve to make the powerful in the world understand that we are not the empire's barbarians and that they cannot do whatever they want with us," said Alfonsin, who headed the UCR delegation that also included Simon Lazara and Luis "Changui" Caceres.

Alfonsin, who will probably be nominated for the position of Socialist International vice president during the organization's upcoming congress in New York mid-year, proposed the goals of "peace, sovereignty, and human dignity" as the main flags of the era.

"It is good when those of us who think alike meet to create a new society where freedom and equal opportunities can be consolidated and where the state is put at people's service," Alfonsin said.

Simon Lazara told NOTICIAS ARGENTINAS over the phone that attending the meeting were current IS Vice President Alfonso Guerra, from Spain; IS Organization Secretary Luis Ayala, from Chile; and Latin American Committee President Francisco Pena Gomez.

Argentina: 'Nothing Left To Negotiate' With on Patent Law

PY2503152296 Buenos Aires TELAM in Spanish 2331 GMT 22 Mar 96

[FBIS Translated Text] Buenos Aires, 22 Mar (TELAM) — Foreign Minister Guido Di Tella said from Colombia this afternoon that Argentina has nothing left to negotiate with the United States on the issue of patents now that President Carlos Menem has signed the decree regulating the law on intellectual property rights approved by Congress.

Guido Di Tella said: "I gave Trade Representative (Mickey) Kantor a copy of our latest patent law and the decree signed by the president, but only for his information because once the executive branch promulgated the bill approved by Congress there is nothing left to negotiate with the United States."

The foreign minister, who with representatives of 34 other countries participated in the summit of the Free Trade Area of the Americas (FTAA) in Cartagena de Indias between 18 and 21 March, said he briefed Kantor "about the complementary law on exclusive rights to the data that will be discussed by the Congress and that adds to the legislation on intellectual property rights."

Di Tella said the U.S. official "promised to give us his opinion on Argentina's patent law next week."

The foreign minister added, however, that "this legislation is the result of long hours of work and intense debates between the executive and legislative branches. It strictly follows GATT regulations on commerce."

Argentina: Army Chief on Overcoming Resentment, Hatred

PY2603034496 Buenos Aires TELAM in Spanish 1800 GMT 23 Mar 96

[FBIS Translated Text] Buenos Aires, 23 Mar (TELAM) — Twenty years after the military coup that overthrew Maria Estela Martinez de Peron [the widow of former President General Juan Domingo Peron], [Army Chief of Staff] General Martin Balza today firmly endorsed democracy and respect for the laws and urged "overcoming rejection, resentment, and hatred among Argentines."

Balza said: "The Army has instilled in its men an unrestricted respect for the full effectiveness of the institutions of our Republic and for democratic values." He emphasized: "Fortunately, coups d'etat belong to the past."

Balza pointed out that "he is fully convinced that this painful past will not again be experienced by Argentines."

Balza told Radio Mitre: "We shall not deny the past. We shall not deny it, and I am not denying the horror and pain experienced by all of us, but I believe that we have to strive to end our mourning and heal the wounds."

Balza emphasized: "Nearly all of us are responsible for the confrontation among Argentines in the 1970's — either by action, weakness, and consent or by inaction, abuse, and advice."

During his chat with Radio Mitre, the Army chief of staff again voiced some of the concepts of his open self-criticism of 25 April 1995, such as denying the Armed Forces' description as "saviors of the fatherland."

Balza said: "We are not the only reserve. And we are not of a superior class."

Balza added: "All Argentines are equally responsible for our nation's inviolable interests and for protecting them." He emphasized: "My duty is to lead the Army with an eye to the future, pointing out the character required for our men."

Balza said: "A fair end can never be achieved by using unfair means." He hopes that "words of peacefulness, reconciliation, solidarity, and tolerance will enlighten our spirits and will indicate the path to be pursued; in this way, we will achieve the future sought by all of us."

Balza concluded by saying: "I assume current institutional responsibility and the responsibility for the future that we are forging, but I also assume the institutional responsibility of our past and the pain experienced in our country."

Argentina: Executive Branch Names New Navy Chiefs

PY2603012696 Buenos Aires TELAM in Spanish 1847 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (TELAM) — The executive branch today made the new postings in the Navy official through Decree No. 288, which was signed by President Carlos Menem and Defense Minister Oscar Camilion.

The official information that was released today indicates that Rear Admiral Joaquin Edgardo Stella has been named the new naval general under secretary, and Rear Admiral Jorge Alberto Crerar has been named director of the hulls, electricity, and naval machinery sector.

Marine Rear Admiral Jose Maria Maurizio has been named director of naval training, and Rear Admiral Mario Enrique Garcia has been named chief of staff of the Naval Operations Command.

The decree also highlights the fact that there is still a "need for admirals to be named to the higher posts within the Navy."

Argentina: Cavallo, U.S. Treasury View Emerging Markets

PY2603030896 Buenos Aires TELAM in Spanish 1905 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (TELAM) — Economy Minister Domingo Cavallo met today with U.S. Treasury Under Secretary Lawrence Summers, with whom he briefly evaluated the situation of Latin America's emerging markets.

U.S. Ambassador to Argentina James Cheek also participated in the brief meeting, which was held within the framework of the meeting that has been organized by the professional magazine LATINFINANCE, which named Summers as "Man of the Year for 1996" due to his support of developing countries.

The U.S. official highlighted the need to increase support for developing countries in order to resolve the difficulties that they suffer, especially from lack of employment and recession, which are common denominators in many countries.

He lauded Cavallo's task in containing the inflation that was a characteristic of the 1980's, "an inflation that was considered unstoppable in that decade," he recalled, and he highlighted the stabilization program of the peso through convertibility.

Summers spoke briefly with Cavallo in Cheek's presence, and they were practically surrounded by representatives of the world's main investment enterprises.

The financiers and businessmen, who met in the Garden [preceding word in English] Room of the Hotel Marriott Plaza, listened attentively to the dialogue.

Larry Summers, 40, is a Harvard graduate with a degree in economics.

In addition to coming from a family of economists and businessmen who have been active for the past four decades, Summers is also a nephew of Paul Samuelson, the 1970 Nobel Prize winner for economics, and he is the author of various books and publications.

Argentina: Army Commander on Reconciliation, Peace

PY2603033196 Buenos Aires TELAM in Spanish 1948 GMT 25 Mar 96

[FBIS Translated Excerpt] Rio Gallegos, 25 Mar (TELAM) — Army Commander Martin Balza today expressed his desire that all Argentines progress toward peace and reconciliation.

"We must predispose our spirits to peace, reconciliation, solidarity, and tolerance among Argentines," the military chief said.

The Army commander in chief also stressed that he acknowledges the errors of the past because it is "a demonstration of respect, maturity, and consideration" toward society.

Balza said that "the present times we are experiencing lead us to believe we have capitalized on those errors," and he stressed that a military coup such as the 24 March 1976 coup "will not occur again."

The Army commander arrived in this Santa Cruz Province city today to visit several Army units during a visit that will last until 27 March. [passage omitted]

Asked about the voluntary military service, Balza stated that the experience has been "excellent" and that it has "surpassed our most optimistic estimates."

He said that Argentina "was the first Latin American country" that decided to incorporate women into the Army, and he maintained that "the volunteers have proudly and properly carried out their tasks."

Balza said that he preferred not to give an opinion regarding the negotiations on the Continental Glaciers question, "because it does not fall within my competence," he explained. [passage omitted]

Argentina: Menem To Travel to Middle East If 'Necessary'

PY2603000696 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2142 GMT 25 Mar 96

[FBIS Translated Text] Buenos Aires, 25 Mar (NA) — President Carlos Menem said this afternoon that "if it is necessary" he will travel to Israel to personally help the parties that are involved in the conflict between Israel and the Palestinians, and he expressed his "anguish" regarding the Middle East situation.

Menem indicated that within this framework, Interior Minister Carlos Corach, who is in Jerusalem, will ask Israeli Premier Shim'on Peres on 26 March to "eliminate the border restrictions" that prevent the Palestinian workers from leaving the Gaza Strip.

The president spoke about this topic during a news conference that he gave this afternoon at Government House.

Bolivia

Bolivia: Special Antidrug Force Reorganization Viewed

PY2503223096 Cochabamba LOS TIEMPOS in Spanish 6 Mar 96 p A6

[FBIS Translated Text] La Paz — The government has decided to eliminate the position of commander of the Special Antinarcotics Force (FELCN) and replace it with a director general and a general staff organized in a way similar to the Armed Forces structure, with the difference that the General Directorate can be headed by a civilian with certain qualifications, Minister of Government Carlos Sanchez Berzain said in a news conference.

The FELCN budget this year will be 10 times larger than during 1995. Funds will be provided by the General Treasury.

"This year we have a budget of over 20 million bolivianos. Besides, the FELCN can receive special contributions from Bolivian or foreign sources," the minister of government said.

Sanchez Berzain thus made public President Gonzalo Sanchez de Lozada's 4 March legal decision, which was formalized through Supreme Resolution 216628. This resolution orders the reorganization of the FELCN, a process that was announced some months ago following the scandal of the "drug plane" that was seized in Peru with a cargo of more than four metric tons of cocaine.

The new FELCN Organic Regulation has 10 chapters and 47 articles plus seven organizational charts.

Sanchez Berzain explained the importance of the FELCN reorganization, after four months of intervention, and the elaboration of a report on the operation of the antinarcotics agency, which was accused of showing alarming levels of institutional corruption following the seizure of a private plane with a cargo of 4.1 metric tons of cocaine in Lima, en route to Mexico, in September 1995.

"This reorganization has several new items," Sanchez Berzain said when explaining the new FELCN Internal Regulation.

Sanchez Berzain said that the FELCN — as of today — will be integrated with qualified civilians, Armed Forces and National Police agents, specialized technical personnel, and specialized support units.

Organizational Chart

Sanchez Berzain said that the FELCN organizational structure changed radically. The force no longer has a national commander. As of today the highest authority will be a director general, who will be supported by a General Inspection Office, a director's secretary, and the General Advisory Office.

Sanchez Berzain said the advisory structure will include a General Staff chief and a General Staff, which in turn will have seven departments: Personnel, Intelligence, Operations, Logistics, Juridical, Administration, and Public Relations.

The minister said that the government gave the FELCN an operative department for each one of the departments mentioned above.

Sanchez Berzain said that border offices will be subordinated to operative departments, adding that the following task forces were confirmed: Mobile Police Unit

for Rural Areas (Umopar), Army Task Force (Green Devils), Air Force Task Force (Red Devils), and Naval Forces Task Force (Blue Devils).

The minister said that the government decided to dissolve the specialized support units that had existed until 1995.

Sanchez Berzain said that the new organizational chart includes five institutional support groups: Special Operations and Intelligence Group [Grupo de Inteligencia y Operaciones Especiales] (GIOE), Chemical Substances Investigation Control Group [Grupo de Control de Investigacion de Substancias Quimicas] (GISUQ), Special Communications Group [Grupo Especial de Comunicaciones] (GEC), Center for Training of Drug Detecting Dogs [Centro de Adiestramiento de Canes Detectores de Droga] (CACDD), and Financial Investigation Unit [Unidad de Investigacion Financiera] (UIF).

Sanchez Berzain said that the Ministry of Government, through the Social Defense Secretariat, is empowered to change the organic structure described here, according to service needs or at the request of the FELCN General Directorate.

Regarding the naming of the first director general of the FELCN, he indicated that the person will be named by the Government Ministry at the request of the national social defense secretary.

He also indicated that starting with the approval of the new Organic Regulation, the director general of the FELCN can be a civilian, a person from the military, or a member of the Police Force. He stated that any of the candidates must comply with certain requisites that have been summarized as follows: He must be a native Bolivian; he must have a national academic title, be a staff graduate or its equivalent within the Armed Forces or National Police; he must have administrative experience; and he must not have run into any type of trouble with the law.

Command Autonomy

The minister also indicated that the reorganization includes the autonomy of command of the Special Task Forces that help the FELCN through the Armed Forces and the General Command of the Police.

He stated that the operations of the rural patrol mobile units will be directed by a national commander, who will be subordinate to the FELCN's general director.

The Task Forces that belong to the Army, Air Force, and Navy, which are support organizations in the fight against drug trafficking, will be subordinate to the original commands.

The FELCN will coordinate the support operations with the commanders of each of the Armed Forces, he indicated.

Permanence

The minister stated that the instructions linked to the period of time that the outside personnel remain with the antidrug police are another qualitative change that has been introduced into the reorganization of the FELCN.

He reported that from now on, personnel of the Armed Forces and the Police who are temporarily assigned to the FELCN will remain with the organization for a period of three years, a period that can be extended for a maximum of two additional years. Sanchez Berzain said that "from now on, these will not be permanent posts."

Another important point is that the disciplinary and merit systems of the personnel assigned to the FELCN will remain in the hands of the personnel's own force.

The officers of the Police or Armed Forces who are assigned to the FELCN will be sanctioned by the administrative and disciplinary courts of the respective forces.

"There will no longer be internal penal organizations within the FELCN," he said, and he reported that the new rules and regulations also include a social security organization for all personnel assigned to the FELCN.

Bolivia: Police, Demonstrators Clash in La Paz; 1 Killed

PY2603012496 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 25 Mar 96

[FBIS Translated Excerpt] The police repression that was ordered today by the government ended with the death of one person; furthermore, at least four persons were wounded.

Rosendo Chirino was the person who died. He was a well-known porter who was known by the nickname of (Tatahauari), and who worked in the market that is located on the corner of Reyes Cardona Street and Heroes del Pacifico Avenue in the El Tejar sector of the city.

His age has been estimated at between 50 and 55 years, and his height measured 1.60 meters. He was from Munequas Province of La Paz Department.

"National Encounter" saw the body; the right eye had been destroyed, and there was a 3-centimeter hole in the area of the heart. The shot was fired at close range, according to witnesses. [passage omitted]

An official communique released by the police places the blame for the death on the rural teachers. According to witnesses, the repression that was carried out by the police generated the violence and it concluded with the death of a market porter.

The blocking of streets began just after 1000 and everything was peaceful until the police arrived. The police fired directly at the demonstrators, and shots were not fired just to disperse them. The demonstrators defended themselves with stones, sticks of dynamite, and fire in order to attenuate the effects of the tear gas.

The four persons who were wounded are aged 5, 12, 15, and 24 years.

According to the police, groups of radical political demonstrators that have joined the teachers provoked the street violence, and the repression ended with the death of one person in the populous El Tejar sector of the city.

A police bulletin indicates that the La Paz rural teachers provoked a confrontation with the police today because they had been ordered to do so by their union leaders.

The citizen Rosendo Chirino, a porter approximately 55 years of age, was killed during the confrontation, while the police were firing rubber bullets at close range.

The police communique does not give any information regarding the death of the porter, but some witnesses of the repression have confirmed that Chirino died due to the impact of a rubber bullet that was shot at very close range.

The communique indicates that the demonstrators were armed with stones, dynamite sticks, knives and sticks.

It adds that police attempts to help the victim of the violence were unsuccessful. Hot-headed groups of rural teachers prevented his transfer to a medical center, and his death was confirmed a few minutes afterward, according to the communique.

Brazil

Brazil: Slow Privatization of Electric Companies Viewed

PY2503170296 Sao Paulo GAZETA MERCANTIL in Portuguese 20 Mar 96 pp A1, B3

[Article by Rodrigo Mesquita and Vera Brandimarte in Brasilia]

[FBIS Translated Text] The privatization of electric companies will be a slow process, to be implemented in several stages. Jose Roberto Mendonca de Barros, Finance Ministry secretary for economic policy, has asserted: "We may have to wait up to five years to define a model for the area. By then, however, conditions will probably be different and we may have to wait five more years to redefine the model." The alternative solution the administration has found was to start the privatization and, during the process, advance with regard to definitions that are considered essential by the potential investors.

Some criteria related to the sale of the companies that distribute electrical energy, however, have already been defined. In order to regulate the natural monopoly consisting of supplying electrical energy in a certain region, the administration sought inspiration in the British model. The idea is to open the competition. The largest consumers will be allowed to freely choose their suppliers in the market. "This will stimulate competition," Mendonca de Barros explained, "because the local supplier will have to ensure his access to the competitors' distribution line."

The administration also wants to offer the largest consumers the possibility of becoming minority investors in electricity-generating plants, in exchange for the guarantee that the plant will supply them energy. "The enterprise will be able to purchase 2 percent of the shares of a plant, for example, and will thus be conducting a 'hedge' [preceding word in English] operation," the secretary said. Nevertheless, this competition possibility is being mentioned by the investors as one of the main risks there is in the purchase of electric enterprises. The administration cannot stimulate competition to such an extent that the investment risk makes the business unfeasible.

"There will be some guarantee: Utility rate compensation will be granted in case of a loss of market," Mendonca de Barros revealed. If a supplier loses, for example, a significant portion of his local market to a competitor, the administration will compensate him through better utility rates. "No one will invest in an enterprise such as the light and power company, the price of which has been set at 3.7 billion reals [R], without a minimum guarantee," the secretary said.

He added that the National Water and Electric Power Department will be, under another name, the authority responsible for defining a utility rate policy. The administration has discarded the possibility of establishing an independent agency right now, in view of the risks that this would represent for the stabilization plan. "Let's suppose that, in a certain situation, this agency decided to readjust the utility rates by 500 percent. This would destroy all previous efforts to defeat inflation," Mendonca de Barros said.

The utility rates will be reviewed every year, so that they can be adjusted in accordance with the inflation rate.

Every five years, there will be negotiations to review the structure of the costs of each energy-distributing enterprise. In these negotiations, the prices can be either increased or reduced, depending on how much the enterprises improved in productivity and how much they saved in costs.

The administration will not force the companies to make investment commitments. "It is very difficult to figure out how much will be necessary to invest in a 30-year period (which is the number of years contemplated in the light and power concession). We have no means of knowing what type of technologies there will be by then, or exactly what the market demands will be," Mendonca de Barros explained.

The solution found, which has been included in the light and power bidding announcement, was that the bidder compromise to maintain a minimum level of quality in the services rendered, such as a maximum number of allowed interruptions in energy supply. This will imply in maintaining a minimum amount of investment in order to keep the networks functioning within this criteria.

The secretary explained that the administration has given up the idea of opening a R1 billion line of financing at the National Bank for Economic and Social Development [BNDES] for the investors who purchase the light and power company, in view of the lack of interest that this line of financing would have aroused. "The largest investors with financial capacity to participate in the privatization auction will have already obtained their financing abroad," Mendonca de Barros said. In addition, the cost of these lines of financing (an average 6 percent per year plus the exchange variations) is inferior to what the BNDES can offer (TJLP [Long-Term Interest Rate] plus 8 percent per year).

Nonetheless, BNDES sources have revealed to the Vera Saavedra Durao editor in Rio de Janeiro, that the real reason for the legal complexity of the operation is the absence of "funding" [preceding word in English] for these resources. The sources added that the administration still has not given up the idea of establishing mechanisms for financing. The alternative, which will be discussed in a meeting to be held on 28 March, is to accept "rotten currency" in the light and power company privatization auction. In addition, this currency can be financed with the BNDES' current lines of financing.

Brazil: PSDB Gives PFL Political Coordination Power

PY2503170496 Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Mar 96 Section 1 p 6

[Article by Jose Roberto de Toledo]

[FBIS Translated Text] The series of political mistakes President Fernando Henrique Cardoso's friends have been making is throwing the president's political coordination tasks on the lap of the PFL [Liberal Front Party]. Leaders of the PSDB [Brazilian Social Democracy Party] and government officials are becoming increasingly convinced of that.

The PFL members are the most faithful about voting in Congress for issues that are in President Cardoso's interest. They take the swiftest initiatives in articulating these issues in the Senate and the Chamber of Deputies, and prefer to work backstage instead of making bombastic declarations.

An example of all that was the double dissatisfaction the PSDB leaders felt when they read the papers on 19 March. PFL President Jorge Bornhausen, who does not occupy any position in the administration, was cited by all papers as saying that it was essential to vote on social security reform this week.

To the PSDB members, Bornhausen's words sounded as if he were the administration's political coordinator. Added to that was the fact that Cardoso had invited Bornhausen to attend on the night of 18 March his meeting with the PPB [Brazil Progressive Party] members at Alvorada Palace.

The fact that Cardoso had also invited PSDB President Senator Artur da Tavola to attend the meeting did not reduce the uneasiness. Senator Tavola's way of heading the party is being criticized even by his own party fellows.

Another reason for the PSDB members' irritation was Communications Minister Sergio Motta's comments to FOLHA DE SAO PAULO in New York. He said that Brazilian democracy will be threatened if high inflation rates return. Motta thus associated the success of the Real Plan to the approval of the reforms.

Cardoso's allies say that by giving so much importance to the approval of the social security reform, the communications minister increased the importance of the parties that are negotiating with the government. "They will now demand more for their support," a PFL deputy said.

On 19 March, the PPB bloc at the Chamber of Deputies decided not to support the social security system amend-

ment before its negotiations to obtain a ministry are finished.

PSDB deputies are complaining about the party's and the administration's lack of political initiative. In their opinion, Minister Motta is the one who can occupy this vacant position. Nevertheless, resistance to the possibility of Motta becoming the government coordinator increases every time he makes comments similar to the ones he did on 19 March.

Motta has not been the first PSDB friend of Cardoso to worsen the domestic situation during their trips abroad. In Japan, Ceara Governor Tasso Jereissati (PSDB) criticized Senate President Jose Sarney, thus heating up the atmosphere at the Senate and increasing the chances of an approval of the Congressional Investigating Committee [CPI] that will look into irregularities in the banking system.

On the occasion, even Senator Antonio Carlos Magalhaes (PFL-BA) [PFL-Bahia], who normally sets situations on fire, took the opportunity to act as a fireman.

The PFL adopts the philosophy of calming tempers down. When the PFL leaders learned that President Cardoso planned to address the nation over the TV on 19 March, they immediately decided to advise him. They told the president to talk about the importance of the social security area reform, but not to mention the CPI.

Right now, the PSDB and the PFL are also disagreeing about alliances in Congress. While the PSDB wants to attract the PPB and use it to replace the disloyal Brazilian Democratic Movement Party [PMDB], the PFL members say that the administration needs the two parties' support — because this type of support is never thorough.

Rivalry, however, is not concentrated in the congressional field only. The PFL members are supporting the thesis that calls for the reelection of the president of the Republic only, and this is an implicit condition to supporting Cardoso in the dispute for one more period in office.

The PFL's reason for that is pragmatic. The party has governors in only two states, while the PSDB has six governors, and the PMDB has nine. If the current governors cannot be reelected, the PFL will have more chances of electing its candidates and of dividing governorship power with the PSDB and PFL governors.

Brazil: PMDB Approves New Statute by Acclamation

PY2503155996 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Mar 96

[FBIS Translated Text] The Brazilian Democratic Movement Party [PMDB] has approved the new party statute and defined some recommendations that must be implemented. Nevertheless, the party will probably not analyze the reelection issue until next year.

For lack of quorum for a normal vote, the PMDB analyzed the controversial issues of the national agenda through acclamation. During the meeting at Congress on 24 March, recommendations to party members were defined. It was also decided that during the PMDB convention achieved rights would be maintained, including the right to retirement based on seniority. The convention also decided that the current Constitutional funds earmarked for the state and county administrations should be increased.

The convention approved the new PMDB statute and decided that reelection for those who occupy government executive positions will only be assessed by the party next year. PMDB President Paes de Andrade said voting via acclamation is legitimate and shows the party is united. Senator Jader Barbalho, PMDB leader at the Senate, said there is no reason to believe there is any split within the party.

[Begin Barbalho recording] I have been hearing about this alleged split since the party's foundation. So far, the only split in the PMDB, and in which it has always been successful, is in the electoral race. [employs play on word "racha," which can mean either "split" or "race"] [end recording]

The PMDB governors did not attend the convention. Michel Temer, PMDB leader at the Chamber of Deputies, did not attend the convention either.

Brazil: Chilean President on Association With Mercosur

PY2603031296 Sao Paulo AGENCIA ESTADO in Portuguese 2040 GMT 25 Mar 96

[FBIS Translated Text] Brasilia, 25 Mar (AE) — Chilean President Eduardo Frei said today that within the next three months, he will sign an association agreement with the Common Market of the South (Mercosur) which is made up of Brazil, Uruguay, Paraguay, and Argentina. He forecast total integration within the next 15 to 18 years. Frei today began his first official visit to Brazil, which will last four days, accompanied by four ministers and a delegation of 150 businessmen.

Frei acknowledged that some Chilean agricultural sectors, especially those involving wheat and corn, are lagging behind in progress, but this has no relation with the slow negotiations between Chile and the Mercosur. "Those agricultural sectors are lagging behind independently from the existence of an agreement with the Mercosur," he said.

Frei recalled that Chile is making progress in its negotiations with the NAFTA, the EU, and the APEC [Asia-Pacific Economic Cooperation]. Trade exchange between Brazil and Chile reached $2.2 billion in 1995 with a surplus of $180 million for Brazil. Such trade represents 50 percent of Chilean exports to the Mercosur, and it makes Brazil the third most important trading partner for Chile.

Chilean businessmen are interested in investing in Brazil in fruit production, energy, telecommunications, agroindustry, and transportation. Three Chilean companies — Enersis, Chilectra [Chilean Electric Company Ltd.], and Endelsa — will participate in the privatization auction of Light Power Services, Inc. of Rio de Janeiro. The Chilean Telephone Company CTC is interested in the privatization of 34 percent of the capital of the Riograndense Telecommunications Company CRT.

A delegation of 30 Chilean businessmen, accompanied by Brazilian Vice President Marco Maciel, this afternoon visited the fruit production centers of Juazeiro, Bahia, and Petrolina, Pernambuco. Chile is one of the largest fresh fruit exporters in the world. Last year Chile sold $1.2 billion worth of fruits, while Brazilian fruit sales hardly amounted to $100 million.

Pacific Coast

Chile is interested in promoting a connection between the Atlantic and Pacific Oceans. Frei will participate in a meeting to discuss this very subject in Porto Alegre on 28 March. "The integration of our highways and railways is essential for our future integration," he said.

Chile and Argentina are already implementing 12 communications routes through highways and railways. The connection between southern Brazil and Chile will be through northern Argentina up to the Chilean port of Antofagasta.

Frei said that the political situation in Chile is normal and that the presence of former President General Augusto Pinochet at the head of the Armed Forces does not represent any risk to Chilean democracy. "General Pinochet's term at the head of the Armed Forces ends next year and the replacements within the Armed Forces command are taking place naturally," he guaranteed.

The Chilean president guaranteed that democracy is consolidated in Chile. "There is a fluid and respectful dialogue between civilian society and the military," he said. "Nowadays everyone knows there is a state of law in Chile and that the law is for everyone."

Besides visiting Brasilia, Frei will visit Sao Paulo, Salvador, and Porto Alegre. In addition to the bilateral agenda aspect, Frei and Cardoso are friends. Cardoso and some Brazilian ministers such as Education Minister Paulo Renato Souza and Planning Minister Jose Serra lived in Chile during the times of the Brazilian military regime.

Brazil: Chilean President Visits, Signs Agreements

PY2603011996 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Mar 96

[FBIS Translated Text] President Fernando Henrique Cardoso and Chilean President Eduardo Frei signed agreements that will facilitate Chile's admission into Mercosur [Common Market of the South]. President Frei arrived at Planalto Palace at 1000. After reviewing the troops lined up in his honor, Frei was received at the top of the ramp of Planalto Palace by President Cardoso.

In the afternoon, following their first working meeting, the two presidents signed four agreements and two memorandums. They decided that the presidents of the two countries will meet once a year for political consultations. They also signed agreements in the following fields: Phytosanitation, agricultural cooperation, sports and the motion picture industry, and exchanges between the diplomatic schools of the two countries.

The documents signed by Presidents Cardoso and Frei will facilitate Chile's admission into Mercosur. Frei has come to Brazil accompanied by a delegation of 150 Chilean businessmen. On 27 March they will attend a seminar on Brazilian-Chilean investments and trade that will take place at the FIESP [Sao Paulo State Federation of Industries] headquarters. The seminar will be opened by Presidents Cardoso and Frei.

Brazil: French Minister on Interest in Strengthened Ties

PY2603012296 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 25 Mar 96

[Report by Marli Moreira in Sao Paulo]

[FBIS Translated Text] The French want to invest $100 million in Brazil. Upon concluding a five-day official visit to Brazil, Bernard Pons, French public works, transport, and tourism minister, said that his country is very interested in strengthening trade ties with Brazil. Among many business opportunities, he said, a $100

million credit line has been placed at the disposal of Brazil for investment in the Sao Paulo subway system.

Pons this morning visited three subway stations in Sao Paulo and praised the quality of the subway system's services for the public. He said he felt at home when traveling in a subway train. Pons said that there will be a large exhibition of French products in Sao Paulo in October, at the Year 2000 Products Exhibition.

He also said that France foresees an early elimination of the visa requirement for Brazilian citizens desiring to enter France. This subject will be one of many that will be discussed when President Fernando Henrique Cardoso pays an official visit to France.

Brazil: Government, Governors To Boycott PMDB Convention

PY2603115596 Rio de Janeiro O GLOBO in Portuguese 25 Mar 96 p 3

[Report by Monica Gugliano and Maria Lima in Brasilia]

[FBIS Translated Excerpt] The PMDB [Brazilian Democratic Movement Party] yesterday experienced the worst moment in its 30 years of existence. As a result of a strategy implemented by Planalto Palace and by the nine PMDB governors to boycott the PMDB convention, PMDB President Paes de Andrade yesterday had to stage a farce during the convention. Failing to obtain a quorum to debate the topics on the agenda, the convention was only able to approve, by acclamation, some adjustments needed to make the PMDB bylaws conform to the new law on political parties — which is essential for the PMDB to obtain 2.6 million reals [R] from the federal government. Also by acclamation, the convention decided to recommend that the Rio Doce Valley Company not be privatized, that the acquired social security and administrative rights be maintained, and that the debate on the reeelection issue be postponed until 1997. Yet, without the governors in attendance, with MR-8 [8 October Revolutionary Movement] activists and nonvoting delegates in attendance, the decisions made at the convention will not stand. The objective of making the PMDB convention a forum to take a stand against President Cardoso was turned into a fiasco.

Antonio Britto, governor of Rio Garnde do Sul, said: "We agreed not to attend the convention. None of us could expose himself in a convention that is designed to fulfill the will of one person alone. We, governors, cannot be subordinated to either the administration or the opposition."

Steps to boycott the convention started a week ago. A coordinated effort was undertaken in response to Paes de Andrade's attempt to make the PMDB join the opposition. The operation gained momentum following the administration's victory in the vote on the social security reform bill on 21 March. When Paes de Andrade realized what was happening, it was already too late. Senators and deputies were not present yesterday morning at the time set for the opening of the convention. [passage omitted]

Chile

Creutzfeldt-Jacob, 'Mad Cow' Disease Linkage Denied

PY2603032796 Santiago Universidad Catolica Television Internacional in Spanish 0100 GMT 26 Mar 96

[FBIS Translated Text] The European Union has closed its market to meat from Great Britain. It is thus trying to fight what is called mad cow disease. In Chile, a doctor who is an expert on Creutzfeldt-Jacob disease has ruled out the possibility that mad cow disease can be transmitted to humans through the consumption of meat.

A clear demonstration of the European fear of this cattle disease is the drastic decision adopted in France to sacrifice all 151 head of cattle from a farm when it was verified that one of them was suffering this disease, the Encephalitis Spongiform. Today the fears also extended to the European Union, which decided to forbid meat imports and meat byproducts from the United Kingdom. The only vote against this measure was that of the affected producers, who considered the measure exaggerated.

In London, the government released an expected report prepared by its scientific advisers. In Parliament Secretary of State for Health Stephen Dorrell said that there is no need to sacrifice all cattle to stop this deadly bovine disease, the greatest danger of which would be its close relationship to a serious disease that affects human beings by attacking the brain. This sickness is known as Creutzfeldt-Jacob disease.

The official said that the risk entailed when consuming meat is extremely small, particularly because it has not yet been demonstrated that there is a relationship between mad cow disease a[illegible]he aforementioned disease that affects humans. For this reason, he explained, there is no reason to recommend that school officials withdraw meat from the students' menu.

One of the experts on Creutzfeldt-Jacob disease thinks likewise. He has dedicated years of his life to studying this disease that affects human beings.

[Begin unidentified expert recording] There is no relationship between the animal and the human diseases. It has been demonstrated that it cannot be transmitted because it is not a bacteria or a virus. It is an infectious protein. [end recording]

According to him, the people can rest assured because unless they have relatives affected by this disease or their blood comes in direct contact with that of the animal, they are safe.

Colombia

Colombia: Ministry Rejects U.S. Envoy's Statements

PA2603044096 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0403 GMT 26 Mar 96

[Report by Oscar Manuel Mendez Garcia]

[FBIS Translated Text] On 25 March the Colombian Foreign Relations Ministry rejected statements by U.S. Ambassador to Colombia Myles Frechette, who said a Congressional committee investigating President Ernesto Samper lacks credibility.

In a communique, the Foreign Ministry said such statements constitute an act of disrespect to the Congress of the Republic, a violation of the principles governing relations between nations, and unacceptable meddling in Colombia's internal affairs.

Colombia: Communique Rejects U.S. Envoy's Remarks

PA2603034196 Madrid EFE in Spanish 0006 GMT 26 Mar 96

[FBIS Translated Text] Santa Fe de Bogota, 25 Mar (EFE) — The Colombian Ministry of Foreign Relations today rejected the statements by U.S. Ambassador to Bogota Myles Frechette, who said that a Congressional committee investigating Colombian President Ernesto Samper "lacks credibility."

The Foreign Relations Ministry said in a communique that the statements "constitute an act of disrespect to the Congress of the Republic, a violation of the principles governing relations between nations, and represent an unacceptable intervention in the internal affairs of Colombia."

The U.S. ambassador asserted that Samper's investigators "lack credibility here and abroad," according to remarks to the weekly PORTAFOLIO, which began to circulate today. "One should just look at the polls to realize that the Accusations Committee does not have credibility abroad or even in Colombia," the diplomat asserted. That committee of the Chamber of Representatives is investigating President Samper for the second time, for his alleged responsibility in having been elected with money from the Cali drug cartel.

In the meantime Frechette, in the same interview with PORTAFOLIO, endorsed the recent statements by DEA Director Thomas Constantine, who said that "there is no doubt that drug trafficking money entered the campaign" of Samper, affiliated with the Liberal Party.

That, Frechette explained, "was known for some time, but it was quietly rumored; now it is being spoken in public and the question is whether he knew or not."

"He (Samper) has said that if there was drug money, it was behind his back" (the entry of drug trafficking money), the U.S. ambassador stated.

The government, the Foreign Relations Ministry communique noted, "hopes that this type of situation does not occur again as it goes against existing ties between the two countries. [no closing quotation marks as received]

Colombia: Samper's Attorney Rejects U.S. Envoy's Remarks

PA2603033096 Mexico City NOTIMEX in Spanish 2100 GMT 25 Mar 96

[FBIS Translated Text] Santa Fe de Bogota, 25 Mar (NOTIMEX) — Jurist Luis Guillermo Nieto, President Ernesto Samper's defense attorney, today rejected the accusations of U.S. Ambassador to Colombia Myles Frechette, who questioned the process against the president.

According to Frechette, there is partiality on the part of Congress in the investigation against President Ernesto Samper, charged with having ties with drug trafficking groups for financing the past electoral campaign which took him to power in 1994. Nieto stated that Frechette does not have any authority, nor is he aware of the details of the process against Samper, to openly question the impartiality and honesty of congressmen. A special 15-congressmen commission is investigating Samper, for which President Samper will testify on Tuesday at the Narino Palace.

Frechette last week stated that the U.S. Government does not believe in the absolute impartiality of the Accusations Commission in this case and, therefore, anticipated that the Congressional ruling will not end the political crisis.

Nieto replied by saying that the diplomat does not have any basis to disqualify an organization that is doing a serious job. He hinted at the possibility that this may

be another action to discredit the country and unjustly condemn his government.

The commission's interrogation of Samper on Tuesday is the first of a series of actions judicial authorities will carry out against government officials this week, including the Prosecutor General's Office questioning of the ministers of interior, foreign relations, and communications. The ministers, Horacio Serpa, Rodrigo Pardo, and Juan Manuel Turbay, respectively, were implicated in the process after the Prosecutor General's Office expanded the investigation to include members of the past electoral campaign closest to the president.

The accusations against the president were made by two of the main members of the Samper electoral campaign team, former Defense Minister Fernando Botero Zea and former treasurer Santiago Medina, both of whom are in prison in connection with the same case. Medina charged that large sums of Cali cartel cash, which arrived at his residence packed in boxes covered with wrapping paper, entered the Samper campaign. Botero, who initially denied Medina's version, later retracted his statement, saying that "Samper knew" about this illegal money, and stated that at times the president negotiated with the drug "barons."

The president and the others implicated have insistently denied the presence of "hot" money (from drug trafficking activities), and concluded that if indeed this money entered the campaign, this occurred without their knowledge.

Colombia: Colonels' Courses in U.S. Said Suspended

PA2603035596 Santa Fe de Bogota SEMANA in Spanish 19-26 Mar 96 p 23

[FBIS Translated Text] Last week, when they were at El Dorado Airport to travel with their families to the United States for nine months of specialization courses, about 20 colonels of the military forces received the unpleasant surprise that the military flight had been canceled. Hours later they were told that the military section of the U.S. Embassy in Santa Fe de Bogota had contacted the Colombian Defense Ministry to advise that due to Colombia's decertification the courses involving the Colombian officers had been suspended. The military men were very distraught because they had already sold many of their properties. Moreover, their superiors will now have to find them new positions within the rigid hierarchical structure of the military forces.

Colombia: Businessmen 'Optimistic' on Brown's Visit

PA2403014296 Santa Fe de Bogota LA REPUBLICA in Spanish 21 Mar 96 p 6A

[Report by Maria del Pilar Guerrero]

[FBIS Translated Text] U.S. Commerce Secretary Ronald Brown assured Colombian businessmen that the U.S. Government does not foresee imposing trade sanctions on Colombia as a result of decertification.

Brown met on Wednesday with members of the National Business Council and gave them some peace of mind, affirming that the United States has not thought of strengthening economic sanctions as a result of this episode.

On the contrary, Brown expressed the U.S. interest in strengthening relations with Colombia and ratified that Colombia continues to be an important U.S. trading partner.

Following the meeting, business leaders were very optimistic and confident that as a result of decertification the Clinton administration would not take economic reprisals that would affect the private sector.

Sabas Pretelt, president of the National Business Council and Fenalco [National Federation of Businessmen], pointed out that the meeting was positive and Secretary Brown's message was one of confidence in the private sector and a desire to support the economic growth of Colombia and America, in general.

"After these conversations, we have an ally for economic growth in Secretary Brown. The spirit he expressed was one of faith and not of applying additional sanctions to Colombia," Pretelt said.

However, the businessmen have not discarded the prospect that, although the U.S. Government may not have trade sanctions on its agenda, other agents such as Congress and specific events, such as the elections, could exert pressure to apply economic reprisals against Colombia.

Moreover, FEDEGAN [Association of Colombian Cattlemen] President Jorge Visbal pointed out that after listening to the worries of the private sector regarding post-decertification sanctions, Brown confirmed that the U.S. Government had not made any decision regarding taking sanctions against trade.

Visbal added that Brown was confident that relations and trade between the two countries would become stronger, without any conditions being imposed.

Visbal added that after listening to Secretary Brown the businessmen do not expect any surprises, because Brown was very explicit in pointing out that the Clinton administration did not want to take any reprisals.

The National Business Council told Brown of its interest in keeping a permanent delegation in Washington to define and improve relations with U.S. officials and the U.S. Congress.

In this regard, they issued a memorandum which expresses the concerns of the private sector as a result of decertification, and it asks that no measures be adopted that will affect trade.

SAC [Association of Colombian Farmers] President Juan Manuel Ospina emphasized the cordial talks with Secretary Brown, who, in Ospina's opinion, came on the visit with an optimistic, not a threatening, attitude. "We are reasonably calm, because threats of imminent negative trade effects have disappeared from the horizon," Ospina said.

Investment Protection

Secretary Brown also met with Foreign Trade Minister Morris Harf, who also confirmed that there would be no trade sanctions against Colombia.

During the meeting the terms for reaching a bilateral agreement regarding the protection of foreign investments were studied.

Likewise, specific issues regarding the sale of products in the pharmaceutical sector, fruit, preserves, and thermometers were discussed.

Regarding the protection agreement, Brown said that it is a general agreement to guarantee the flow of capital between the two nations.

Colombia: VP Defends 'Silence' Amid Crisis

PA2303164996 Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Mar 96 p 5A

[FBIS Translated Text] Vice President Humberto de la Calle yesterday defended the silence he has maintained regarding the ongoing political crisis, noting that restrain and calm are the best contributions that the institution he represents can give the country. The vice president's remarks are contained in a communication the Colombian Embassy in Madrid issued, and here are some excerpts from it.

"Some journalists and several friends of mine have said that the situation in Colombia requires a statement from me. I think, however, that prudence is the best contribution I can make under the current circumstances. The role of the vice president requires serenity and restrain. I do not want, therefore, any word from me to complicate matters. My silence is no sign of indifference, but quite the contrary. I am silent but not absent.

I know what is happening in Colombia minute by minute. The difficulties the people are experiencing are a permanent concern of mine. Drug trafficking, corruption, common crime, and guerrilla attacks are profoundly disturbing at the national and international level, and lead to the conclusion that a vigorous justice and a political reform that stamps out the intrusion of black money in politics cannot be postponed. Regardless of how disquieting the symptoms of the economy may be, I am certain that the country will react positively. Investors must not lose faith. Based on the Constitution, we are going to overcome this crisis. I have not the slightest doubt about this. I hope that in the future, when the conditions are favorable, I can return to share with Colombians in a direct manner their ideas, endeavors, and sentiments."

Colombia: Medina Says Samper Knew About Spending Violation

PA2303023596 Mexico City NOTIMEX in Spanish 0027 GMT 22 Mar 96

[FBIS Translated Text] Santa Fe de Bogota, 21 Mar (NOTIMEX) — Former treasurer Santiago Medina today said at the National Electoral Council (CNE) that Colombian President Ernesto Samper was aware that his political campaign violated expenditure ceilings established by law.

Alejandro Hernandez, Medina's lawyer said that Samper and his then collaborators Horacio Serpa and Rodrigo Pardo knew way before the elections that the electoral campaign was to surpass expenditures established by law.

In February, the CNE began an administrative investigation on the campaign of the then candidate for the ruling Liberal Party, for surpassing agreed expenditures to finance the 1994 campaign activities.

According to the Council, Samper surpassed established ceilings of money by more than 1 billion pesos ($1 million), therefore, he will have to explain how the money was used during the electoral campaign that brought him to power.

Medina, who was granted house arrest for cooperating with justice, ratified his accusations, stating that Samper participated in the operations that allowed the infiltration of Cali cartel drug money into his campaign.

Hernandez noted that his client has evidence of the allocations for more than 3 billion pesos (approximately

$3 million) made by presumed Cali cartel leaders Gilberto and Miguel Rodriguez Orejuela to Samper's political campaign.

Serpa and Pardo, Interior and Foreign Relations ministers respectively, were formally included in the investigations by the Colombian Prosecutor's Office that will bring light on accusations of links between drug trafficking and politics.

After the proceedings, which lasted for more than six hours, Hernandez told local reporters that the money provided by brothers Rodriguez Orejuela were delivered to the regional treasuries days before the second round of elections took place.

Samper faces a political process in Congress that could mean not only stepping down from the presidency, but could put him in jail, if it succeeds.

The president and ministers have said they will turn to justice, because they are certain they never acted unlawfully.

However, the Prosecutor's Office stressed the fact that they have evidence which demonstrates his involvement in the handling of illegal money.

Medina is the main witness for the Prosecutor's Office, which has in less than three months, sent to jail eight Liberal Party leaders, among them, four congressmen involved in the case.

Colombia: Medina Says Samper Knew of Campaign Spending

PA2403010696 Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Received via Internet]

[FBIS Translated Text] The National Electoral Council [CNE] yesterday listened to the depositions of Santiago Medina, former campaign treasurer of the presidential campaign of Ernesto Samper, as part of the investigations into the political campaigns for violating the maximum spending limits.

Medina arrived at the CNE at 0730 hours amid an impressive security ring of men from the National Prison and Penitentiary Institute, Inpec; the Special Operations Group, Goes; and the personal security agents of the former official of the Samper campaign.

Medina's depositions before the CNE investigative commission lasted five hours. At the end, it was leaked that the former treasurer blamed the presidential candidate and high-ranking officials of the campaign for having ordered the spending. "They had direct control over each and every one of the aspects of finances," Medina maintained.

As he was questioned on certain bonds called Republic of Colombia bonds, which were in dollars, were part of the campaign, and seem to have come from abroad, Medina said: "No, Fernando Botero handled these funds; I only received orders from him regarding expenses through various checks payable to people who worked for the campaign."

Colombia: Ex-Candidate Says VP Should 'Assume Office'

PA2403152696 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 22 Mar 96

[Report by Javier Contreras]

[FBIS Translated Text] Former candidate for president Andres Pastrana has said that President Ernesto Samper must abide by the Constitution, which rules that, if the president steps down, the vice president should assume office as president. Pastrana spoke for this station.

[Begin Pastrana recording] I don't think President Samper's proposal is realistic, nor does it suit the circumstances. The solution that the country desires to solve the crisis is clearly established in the Constitution. No constitutional reform is required. The solution is the vice president of the Republic. It is important to underline two things in his speech today. This is the first time that he mentioned the possibility of stepping down and resigning the presidency. If this happens and the president does decide to resign, then the constitutional, institutional, and legal solution consists of Vice President Humberto de la Calle assuming office as president. In this way, we will be able to solve the country's crisis immediately. [end recording]

Pastrana said the president's position and proposal, which was officially presented at noon, is a sophism aimed at confusing the public.

Colombia: Samper Lawyer Disputes Botero, Medina Testimony

PA2303222596 Santa Fe de Bogota Radio Cadena Nacional in Spanish 0300 GMT 23 Mar 96

[FBIS Translated Text] We will now listen to some of the most important portions of the news conference held by President Ernesto Samper Pizano's lawyer, Luis Guillermo Nieto Roa, who has made accusations against Santiago Medina, former treasurer of the Samper for president campaign, and former Defense Minister Fernando Botero.

[Begin Nieto Roa recording] As you know, the proposal lifting the confidentiality of proceedings in the investigation against the president of the Republic has already been signed into law. This document refers to reports carried by the media. Naturally, the document is based, not on media reports, but on the documents included in a file in the hands of the Accusations Committee.

We are in the presence of a lawsuit filed as the result of what might have been a money request to the Cali cartel capos in the name of Samper's presidential campaign and what might have been the reception of this money reportedly for the presidential campaign. Medina's remarks, in particular, could be regarded as probable in principle. Medina — on Botero's instructions, he says — visited the Cali cartel capos, spoke to them in the name of the presidential campaign, and obtained a large sum of money, reportedly for this campaign. This is what we could consider in principle [words indistinct] regarding Medina's remarks.

One point must be clarified, which has not yet been clarified, however. If we start with the theory that money was requested in the name of the campaign and that this money was received, it is necessary to establish whether the money entered the campaign or whether the money, requested and received in the name of the campaign, ever entered the campaign. This is the investigation we have initiated, on which we are working, and for which we naturally have asked assistance from the Prosecutor General's Office.

We have some preliminary facts, which I wish to share with you. The Prosecutor General's Office maintains that it — and Botero tried to prevent it through legal means in the United States — obtained information on some of Botero's accounts in New York. These accounts included one in the Chase Manhattan Bank, another in the Morgan Guaranty Trust, and another in the Bank of New York, all in New York City. There is no information on one account which Botero said in one of the inquest sessions he had also used to transfer money in U.S. dollars for the campaign. This is an account at the Barclays Bank in New York, whose figures have not yet been made available by the Prosecutor General's Office.

We have also asked — but have received no reply as yet — to investigate accounts in Botero's and Medina's names that some people say exist in some European countries. I have also requested information on some investments that Medina reportedly made in pesos. All of this happened during the last few months of the presidential campaign.

[Words indistinct] described for you this document that contains an explanation of the information (?sent) by the banks. All of this information — and you will be able to check it in the file with the Accusations Committee — is included in documents that the U.S. Justice Department sent to the Colombian Prosecutor General's Office and which this office, in turn, handed over to the Accusations Committee. Therefore, these documents are authentic. We are not at all talking about gossip or rumors, but authentic documents.

In the chart that you have received or will receive, you will see the movements of deposits in Botero's three accounts, which I have mentioned, from January 1992 to June 1995. There are a number of very interesting details. From January 1992 to December 1993, the average annual deposits made by Botero was $70 million. This is the monthly average. Excuse me, $70,000. I had mentioned a wrong amount. An average of $70,000.

Consequently, we can infer that the regular financing movement of his current accounts in New York is $70,000 monthly.

Then we have certain figures which naturally look strange. The time is, I repeat, from January 1992 to December 1993. From January to June 1994 — that is to say the time when the collection of funds for the presidential campaign started and the time when Medina worked as general treasurer as appointed by Botero himself — the monthly average deposits climbed from $70,000 to $963,000. That is to say, 1,300 percent more on average.

There is still another item, more interesting and strange. In May and June 1994, the months in which, according to Medina, he went to Cali, he said he requested and obtained approximately $6 million. In those two months, May and June 1994, Botero deposited $4.33 million in his accounts. This happened, I repeat, in May and June 1994.

The campaign ended and now Botero's average deposits returned to what we might describe as normal. From July 1994 to February 1995, the monthly average deposits were $53,000. In other words, there was a normal average movement of $70,000. After the campaign, there was a normal average of $53,000. But in the campaign period, when Medina worked as treasurer, the normal average jumped 1,300 percent, to $950,000, with the even more (?remarkable) coincidence that in May and June, and in these two months exclusively, which are the months when Medina went to Cali to request money and obtained it, $4.33 million were deposited in his account. [end recording]

Colombia: Report on Reactions to Samper's Proposals

PA2503175796 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1715 GMT 23 Mar 96

[From "The Midday Newscast"]

[FBIS Translated Text] The formulas presented by President Ernesto Samper on Friday, including a reduction of the presidential term by early elections, or by reaching a political consensus, generated nationwide conflicting opinions in recent hours.

As all Colombians know, by presenting on Friday the potential options to overcome the political crisis triggered by the investigations against him on the alleged participation of drug-related money in his presidential campaign, the president [words indistinct] situation to stay in his post until the end of his mandate on 7 August 1998. The president admitted to having reviewed the following alternatives: holding early elections at the end of this year, or at the beginning of next year; holding a consultation or reaching a political consensus with other sectors of the ruling Liberal Party and the opposition Conservative Party.

Regarding holding early elections, the newspaper EL ESPECTADOR revealed the results of a poll conducted last night with a sample from Santa Fe de Bogota. The results indicate that 58 percent of those polled agree with President Samper's proposal. However, in this debate to find a solution to the crisis, many people have called for prudence until the Accusations Committee of the Chamber of Representatives determines whether or not the charges against the president are valid.

EL TIEMPO also indicated today in its editorial that President Samper's initiative might be very dangerous and, at one point, it states its disagreement with it. The editorial adds that any agreement on a solution should strictly comply with the guidelines stipulated in the Constitution specifically to resolve situations such as the one we are currently facing and might be facing for several more months.

Colombia: Police Head 'Satisfied' With Efforts

PA2303145896 Santa Fe de Bogota Radio Cadena Nacional in Spanish 1700 GMT 22 Mar 96

[From the "RCN Radio Events" newscast]

[FBIS Translated Text] Colombian Police Director General Rosso Jose Serrano Cadena asserted at the Administrative Department of Security, DAS, promotion ceremony today that the Cali Cartel's companies to launder money have now been located and included in the drug traffickers' legal cases. Gen. Serrano reiterated that no other country has fought drug trafficking like Colombia has, as it has lost more than 3,500 policemen, and has eradicated many hectares of poppy crops. The police director stated that he is satisfied with the work done by the National Police.

Colombia: Valdivieso Criticizes Counterdrug Efforts

PA2303031296 Santa Fe de Bogota EL TIEMPO in Spanish 21 Mar 96

[Received via Internet]

[FBIS Translated Text] Prosecutor General Alfonso Valdivieso Sarmiento stated yesterday that "Colombia has not truly fought drug trafficking (...) and thus lacks the authority to demand that struggle from other countries. [no end quotation mark as published]

Adding: "Had we done enough against drug trafficking, we would have spared ourselves so many dead policemen, judges, magistrates, journalists, and many other people. We consider ourselves in Colombia as being adults in a struggle we have not performed."

All things considered, Valdivieso said that with what has been achieved in the fight against drug trafficking and organized crime, the U.S. decertification does not acknowledge Colombian's true commitment.

The prosecutor general spoke before members of the Franco-Colombian Chamber of Commerce, where he also referred to the summons for three ministers to testify; the precarious administrative infrastructure of the Office of the Prosecutor General of the Republic, and the impartiality of his office toward the current cases and toward Case 8000, in particular.

Regarding the subpoenas to Interior Minister Horacio Serpa Uribe, Foreign Relations Minister Rodrigo Pardo, and Communications Minister Juan Manuel Turbay, by the Prosecutors' Unit of the Supreme Court, Valdivieso admitted that "this is the most difficult decision made in the case due to the seriousness of the implications and the quality of the people prosecuted."

Nevertheless, he said, the Office of the Prosecutor General of the Republic respects the principle of innocence, "in my position I cannot put forth that the ministers are innocent and much less say the opposite."

In defense of his actions and those of the institution he heads, he said that "this crisis was not caused by the Office of the Prosecutor General of the Republic."

He said that "what the country is undergoing should ensure it overcomes the causes of this decisive moment it

is experiencing" and said that "Colombia will necessarily improve."

He believes that the various forces should facilitate the solution to the crisis; "it is not a matter of being pessimistic, the crisis should unite us and move us toward a greater presence, and participation, but acting very maturely."

Politics

Valdivieso severely refuted his critics and said: "To think that the prosecutor general is acting for future political purposes means not having any defense arguments to some charges; it is an attempt to misinterpret the criteria and healthy purpose that prompts prosecutors in their investigations. [no end quotation mark as published]

He said: "I cannot overlook the responsibility of those who are tasked with leading and guiding a society. [no end quotation mark as published]

He downplayed the charges that he is seeking future political niches and reiterated that he is only interested in working as prosecutor general."

He told his detractors that every time they speak about him "is like listening to rain. I do not allow myself to be provoked," he said.

Regarding the current structure of the Office of the Prosecutor General of the Republic and the origins of Colombia's accusatory system, Valdivieso Sarmiento reiterated that the transition was done "in an improvised manner, irrationally, and irresponsibly."

He added that in Colombia we were forced to inherit "without any distinction" all the officials of the previous system of criminal instruction, with a total disregard to training, and with no attempt to induce them into a new scheme, thus they became the first factor of institutional weakness.

"They arrived at the Office of the Prosecutor General of the Republic to show that nothing had changed and to instigate the same way," Valdivieso Sarmiento stated.

He disclosed that "inexplicably we inherited more than 1 million cases ensuring the collapse of the Office of the Prosecutor General of the Republic from its inception." He explained that the loss of vital forces could have been prevented, by at least 80 percent, had the municipal and promiscuous judges continued to investigate and tried the 800,000 prosecuted people they had on hand, instead of playing chess, such as occurred in the initial stages of the transition.

Valdivieso also said that the Office of the Prosecutor General of the Republic should not have began work without a fully established structure and a proper information data base center. To begin, he said, today the entity's systematization is not at a good level.

He said that only in August or September "do we expect to have Santa Fe de Bogota and Medellin systemized," which he believes "that was a condition for the working of this new entity."

He also had serious criticism for penal investigations in Colombia, of which he said "leave much to be desired."

He said that the Office of the Prosecutor General of the Republic was not created with the proper solidness for carrying out investigative work.

"The state has fallen behind crime and this is one of the reasons the crime rate has soared in Colombia," the prosecutor general said.

Colombia: Official Denies Resumption of Talks With FARC

PA2303044396 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 21 Mar 96

[Report Luis Maldonado from the Narino Palace; from the "Newstime" newscast]

[FBIS Translated Text] The national government said this afternoon that despite the Costa Rican Government's offer to help find a political solution to the armed conflict [words indistinct] rapprochement of the FARC [Revolutionary Armed Forces of Colombia] with the National Conciliation Commission does not in any way suggest an imminent resumption of a peace dialogue with this subversive group.

Daniel Garcia Pena, coordinator of the Office of the High Commissioner for Peace, noted that the executive branch trusts, however, that the next step could be a resumption of formal talks.

[Begin recording] [Garcia] There have been [words indistinct] between the National Conciliation Commission and the various armed sectors [passage indistinct] the good offices of the Costa Rican Government, which is an ally of the cause of the political [word indistinct] in Colombia.

We think both things are significant; they are historic, but we also feel it is our responsibility to remind everyone that this is only a first step and that this does not suggest an immediate resumption of a formal negotiation process.

[Maldonado] Which is the second step?

[Garcia] The first contacts of the National Conciliation Commission with important FARC leaders and other

leaders of the Colombian guerrilla movement will serve to, as the name implies, start a true rapprochement with the FARC. I think the National Conciliation Commission has a major responsibility. This is why I reaffirm my call to the friends of peace in the country to help the National Conciliation Commission, which will start a very broad consultation process that its members announced. I think the next step will depend on the positions of the parties, on their determination to find alternate paths to remove obstacles and to establish a new path toward the resumption of formal negotiations in the future. [end recording]

Colombia: Government, FARC Agree To Meet in Costa Rica

PA2303145796 Santa Fe de Bogota EL ESPECTADOR in Spanish 20 Mar 96 p A5

[FBIS Translated Text] Actions taken by the National Reconciliation Commission have made it possible for the Samper administration and the FARC [Revolutionary Armed Forces of Colombia] to agree to meet in Costa Rica.

The guerrilla group sent a letter to Costa Rican President Jose Maria Figueres on 13 February thanking him for his mediation and reaffirming its "determined will to seek, through a face to face meeting with the people, a civilized agreement with social justice, dignity, and sovereignty for Colombians."

Yesterday, President Ernesto Samper said that "the administration has accepted an offer from the Costa Rican Government to facilitate an eventual peace meeting. If the necessary conditions were given for a useful dialogue that would lead to peace, and not the continuation of the war by other means, my administration is willing, as are all Colombians, to make a new effort toward national reconciliation."

These two statements were obtained through the mediation of two representatives of the National Reconciliation Commission presided over by the Roman Catholic Church, who traveled to Costa Rica last month, and met there with FARC and Costa Rican Government spokesmen and, upon their return to Colombia, met with President Samper in Santa Fe de Bogota.

The administration's reply came last week after Costa Rica formalized its offer to become "mediator in an eventual dialogue" through its Foreign Relations Minister Fernando Naranjo, who met with President Samper on Friday.

However, the possibility of a dialogue in Central America was only revealed yesterday in a presidential speech regarding the inauguration of the National Human Rights Communications Network. Even though the initial proposal regarding an eventual meeting has only been discussed with the FARC, this organization has stated that what is being sought is a dialogue with the Colombian insurgents, from which one can deduce that this implies the participation of the ELN [Army of National Liberation] in the meeting, and, eventually, the dissidents of the ELP [Popular Liberation Army].

The involvement of the Costa Rican Government in the Colombian peace process dates back to last year, when, faced with the failure of a possible meeting between the government and the FARC in Uribe Municipality, Meta Department, President Jose Maria Figueres offered Costa Rica as a site so the meeting could take place.

Details for an eventual meeting will be given at the end of the week by spokesmen of the National Reconciliation Commission.

Colombia: Kidnapping Statistics Reported

96SM0171A Santa Fe de Bogota EL TIEMPO in Spanish 20 Mar 96

[Received via Internet]

[FBIS Translated Text] Thus far this year, a total of 214 citizens have been kidnapped: 103 in January, 92 in February, and 22 during the first 18 days of March. The anti-kidnapping czar has announced a constitutional amendment to freeze assets of kidnap victims' relatives.

Thus far in 1996, the kidnapping of children and foreign citizens has increased precipitously in the country.

This is revealed by statistics from the Police National Anti-Kidnapping Directorate and the Free Country Foundation.

Within 78 days, 26 children have been kidnapped in Colombia: seven more than during the same period in 1995. Of this number, 15 have been rescued by the authorities, one was murdered, and only two have been released by their captors. Eight children still remain in captivity.

The authorities have blamed the guerrilla movement for many kidnappings. According to the investigators, their strategy, besides demanding the payment of ransom and recruiting children by force, is to use the abducted children as a means for escaping from their political isolation. This applies to the case of a child kidnapped in Villavicencio.

Thus far this year, a total of 214 citizens have been kidnapped: 103 in January, 92 in February, and 22 during the first 18 days of March. Of this number 11 are

foreign citizens, mainly Venezuelans and United States citizens.

During 1995, 45 foreigners were kidnapped: 10 more than in 1994; and, according to the statistics, the crime is still on the rise this year.

Included among the foreigners abducted is the U.S. citizen, John M. McLay, who was kidnapped on 17 January 1995, was later released, and is now in captivity again.

The anti-kidnapping czar, Alberto Villamizar, for his part, announced in Medellin yesterday that, in next July's legislature, debate is to begin on a constitutional amendment that would make it possible to freeze the bank accounts of kidnap victims' families, as a means of fighting that crime in the country.

Villamizar remarked that kidnapping is a highly profitable crime for those who commit it, and that this enables them to operate with a sophisticated technology. However, he claimed that the state also is making progress in obtaining the necessary equipment.

He commented: "We require aid from abroad for the purchase of equipment that is too expensive, and we need several units of it."

He added that just one piece of equipment for intercepting radio communications costs between 400 and 500 million pesos.

[Box]

Kidnapping in Figures

In 1995 They Kidnapped 1,060 Persons

Thus far this year, 214 persons have been kidnapped: 103 in January, 92 in February, and 22 during the first 18 days of March.

Of the 214, 34 have been released, 55 rescued, and three murdered, with 122 still in captivity.

The police have captured 56 kidnappers and 93 extortionists.

A total of 5.810 billion pesos has failed to be paid for ransoms, and 21.302 billion pesos for extortion.

Children

In 1994, 124 children were kidnapped, and last year, 115. Of the 115, five were murdered.

Thus far in 1996, 26 children have been kidnapped: seven more than during the same period last year.

Of the 26, two have been released, 15 have been rescued, eight remain in captivity, and one has already been murdered.

This year, the guerrilla movement recruited seven children in a single day.

Foreigners

During 1995, 45 foreigners were kidnapped: 10 more than in 1994. Thus far in 1996, 11 have been kidnapped.

Of the 45, 23 were released, eight were rescued, two escaped, two were murdered, and 10 remain in captivity.

Half a million dollars is the average amount demanded for release.

Venezuelans and United States citizens are the main targets of the kidnappers.

Colombia: Samper Addresses Cartagena Business Forum

96SM0180A Santa Fe de Bogota EL TIEMPO in Spanish 21 Mar 96

[Received via Internet]

[FBIS Translated Text] "With the issue of free trade, as with many other issues in life, we are experiencing something similar to the notion that we have regarding eternal paradise: that, although we all want to arrive there, no one wants to arrive there yet."

This was one of the statements made yesterday by President Ernesto Samper during his speech delivered to over 1,500 businessmen from all over the American continent.

In an anecdotal address plagued with metaphors, President Samper presented his views on the future of economic integration and the necessity for it to become a reality, as a principal means for combating poverty and backwardness.

The principal statements made by Samper in connection with Alca [Latin America Free Trade Area] were the following:

"Far from the old times of protectionism, when integration was locking the economies within themselves, the new idea of integration poses for us the formidable challenge of becoming integrated outwardly, and of making ourselves stronger internally, so as to be more respectable in our relations abroad.

"If we all want to come to Cartagena, the important thing is not that some arrive in a car, others on a ship, and a few more by air. What matters is that everyone

arrive at the site agreed upon, to keep the appointment made, and on the date set.

"We can reach the free trade zone through NAFTA, the Group of Three, the Andean Group, Mercosur [Common Market of the South], the common market of the Caribbean, or the Central American process: the important thing is to arrive on time and at the same destination.

"Genuine integration is the kind that involves the market of production factors. What matters is not merely the access to milk, but also the possibility of having the cow that produces it.

"To obtain that cow, our countries must realize that integration has to begin with the signing of agreements that will facilitate the mobility of the capital resources required for development.

"It is obvious that, unlike other integration processes in different parts of the world, the American process has the important characteristic that the distances, in levels of development, among the partner countries are far greater. It is all well and good for us to preach the principle of equality among our countries: as a political concept, it is perfect. But we should not forget Orwell's comment either: that, although all animals are equal, some are more equal than others.

"The costly payment of the foreign debt during the last decade forced us to postpone investments in infrastructure representing a figure close to $400 billion, and to sacrifice growth rates of two and three points annually.

"I wish to apologize to the journalists, especially the Colombians, who were expecting me, in my remarks, to comment at length on the well-known status of our country's relations with the United States. I do not intend to make such comments, because I firmly believe that, just as it is not good to air conjugal differences at parties with friends, it is similarly inappropriate to discuss bilateral issues at hemispheric meetings.

"I can indeed assure you, for your peace of mind, that, just as in conjugal relations, in the case of Colombia's relations with the United States there also are stronger reasons for maintaining the marriage bond, based on mutual respect, than for becoming divorced.

"This should not be an agreement among bureaucrats, but rather one among people from the private sector. Only business owners can lend permanence and effectiveness to the agreements signed by governments. And that is not an authority, but rather an obligation to their countries and to themselves.

"Business owners, you should continue the passage to integration without fear or prejudice. Do not view your competitors in the area as enemies, but rather as allies. Remember that the best business is the kind in which both parties feel that they have achieved something. Realize that an expanded market can be more profitable than a niche of one's own.

"All this effort must have a final objective. That objective is the people: so that we can work, to enable more people to have employment; so that we can produce, to enable people to make a better living."

Colombia: Means To Reform Constitution Viewed

96SM0182A Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Article: "How To Move the Presidential Elections Ahead" — received via Internet]

[FBIS Translated Text] A constitutional reform will be required in order to move the presidential elections ahead and replace Ernesto Samper, whose term ends in 1998.

Article 374 of the constitution establishes three ways by which it may be amended: an act of Congress, a Constituent Assembly, or a popular referendum.

An act of Congress is the speediest method.

According to the constitution, the government may introduce a bill reforming the nation's charter—a legislative act—in order to modify or amend the pertinent clauses.

The entire process would take two consecutive regular sessions before the bill would become a law.

Congress began its first regular session of 1996 on 16 March. It runs until 20 June. The second begins on 20 July and ends on 16 December 1996.

Assuming that this would be the means used to move the election ahead, the bill would have to be introduced sufficiently in advance of 20 June so that it could be passed by one of the chambers. Debate could then be completed before December of this year.

With respect to debate on the bill, Article 163 of the constitution states that the president may not send urgent messages in an attempt to speed up the process. The chief of state may resort to such a method only in the case of bills, not legislative acts.

Articles To Be Modified

With respect to the areas of reform, one expert on the constitution told this daily last night that the first potential modification has to do with the president's term of office.

Article 190 of the constitution establishes a 4-year term for the president.

The act of Congress should then state whether the election would be held simply for the purpose of completing Samper's term (1998) or in order to elect an individual for another four years.

Since, like Samper, Vice President Humberto de la Calle Lombana ascended to his post by a popular vote, the clauses pertaining to him would also have to be modified.

The text in question is Article 202 of the constitution, according to which the vice president serves the same term as the president.

One high Palace official told EL TIEMPO that the government would be willing to amend Article 197 of the constitution in order to remove clauses prohibiting magistrates and public officials from ascending to the highest office in the land.

Article 197 reads as follows: "No citizen who has held the office of president for any reason may be elected president." This interdiction does not apply to the vice president when he has occupied the post for less than three months, continuously or not, during the four-year term.

Nor can anyone be elected president if any of the interdictions contained in Sections 1, 4, and 7 of Article 179 (convictions, removal from office as a congressman, and double nationality) applies to him, or if he has served as any of the following in the year preceding the election:

Supreme Court justice or judge on the Constitutional Court, member of the Council of State, the National Electoral Council, or the High Council of the Judicature, Cabinet minister, Attorney General, public defender, Comptroller General, Prosecutor General, National Registrar of the Civil State, Administrative Department director, governor of a department, or High Mayor of Santafe de Bogota.

Colombia: CNE Head Alerts Congress to 'Narcorider'

96SM0183A Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Article: "CNE Wants To Withdraw 'Narcorider' Included in Bill" — received via Internet]

[FBIS Translated Text] Oscar Jimenez Leal, chairman of the National Election Council (CNE), alerted Congress yesterday to another "narcorider" that had been "accidentally" included in the campaign financing bill.

The rider in question is Article 38, which states that any candidate who receives donations or contributions from persons "convicted of crimes involving drug trafficking or illegal enrichment at the expense of the public treasury and causing grave harm to social morals will be imprisoned for a term ranging from two to six years."

Speaking with EL TIEMPO, Jimenez said that as drafted and included in the bill, the article "could mean the departure of all persons now involved in the Trial 8,000." At the present time, "recognized members of crime syndicates do not have to be convicted of drug trafficking in order for the charge of illegal enrichment to be brought."

"It was an error made in good faith in April or May of last year," Jimenez said, adding that "when we drafted the bill, the problems now facing us did not exist."

In the opinion of the CNE chairman, the article is similar to one passed by the Senate in December of last year and rejected by the Chamber following a bitter debate in a plenary session.

Jimenez said that his office realized the scope of Article 38 when it reviewed the complete text of the bill scheduled to go to the Constitutional Affairs Committee for study next week.

Jimenez sent a letter to Jose Renan Trujillo, chairman of the Senate's First Committee, asking that the article be withdrawn.

"By virtue of the circumstances now existing in the country, such a proposal might have a scope different from our actual intentions in drafting the bill. If passed by the nation's Congress, it could become an obstacle to the proper course of investigations now being conducted by the various judicial bodies," one paragraph of the letter states.

"The honest thing to do is to tell the country that if we pass the rider, we shall be interfering in investigations being conducted by the Prosecutor General's Office. We therefore ask that it be withdrawn from the bill and hope that it will," Jimenez said.

Colombia: Congressmen on Possible Early Elections

96SM0184A Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Received via Internet]

[FBIS Translated Text] The passage of a draft legislative act in Congress to move ahead presidential elections would not be devoid of argumentative confrontations among the congressional factions.

According to some Liberal congress members not closely associated with the government, the president is seeking to take advantage of a possible acquittal by the Chamber to prove his innocence and give an impetus to the political reforms that would give him a place in history as "the great reformer," rather than a president questioned for corruption.

One senator of the republic commented: "Then he would come out telling Colombians: "I am turning the country over to you straightened out."

The president of the Chamber, Rodrigo Rivera, remarked that the action is premature, and that what is needed at this time is to wait for the judgment to be pronounced by Congress. "We must wait for the results of the investigation, and then see what kind of country we have, and and what remedies can be proposed."

Other Congress members pointed out that the president is promoting contacts with various sectors of the country except the Congress. Hence, they caution, it is essential to wait for the Congress' pronouncement, so as to consider a "macro solution" for the political crisis.

"It is all well and good to consult the business associations, the ex-presidents, and whomever he wishes, but a macro agreement, which I think should be allowed in the country, ought to include the Congress. In view of this option being studied by the president, the Liberal Party should immediately call a meeting of Congress members to make a party decision."

A representative in the Chamber, who preferred not to give his name, told EL TIEMPO that a draft legislative act would require the support of the different political forces: "something complicated under the present circumstances."

The same source explained that the country is "making reckless conjectures" about the final decision that could be adopted in the Chamber's full session concerning the suit being brought against the head of state.

"The secret vote has been criticized in this case, but that is a rather complicated device, and no one can predict what will happen."

There is also skepticism among the Liberal Congress members, because they realize that an advancement of the elections would catch them off-guard, since there is no sign among their ranks of candidates who could counteract possible nominees such as those that are beginning to be hinted. The latter include the mayor of Bogota, Antanas Mockus.

Parmenio Cuellar reiterated his view that the solution must be sought by way of convoking a constituent assembly that would carry out the government's political reforms, including that of calling for new elections.

Cuellar noted: "The assembly would not take up the issue of the Congress members; it would have limitations; it would last three months. And, if everything turned out well, there would be new elections before the year's end."

Colombia: Outcome of Cartagena Summit Discussed

96SM0184B Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Received via Internet]

[FBIS Translated Text] Cartagena—Yesterday, at the conclusion of the Summit of the Americas in the city of Cartagena, the governments of 34 nations of the Americas reaffirmed their commitment to create a hemispheric free trade zone by the year 2005.

The assessment of the summit is heterogeneous. On the one hand, it made little progress on the concrete topics of the negotiations. This was an anticipated result, given the variety and complexity of the issues and the large number of countries and interests at stake.

Nevertheless, the general perception is that the final results of the Cartagena meeting are positive. On the one hand, the meeting of business owners, preceding the convening of ministers, was typified by the large-scale attendance of delegations from all of the area's countries, the enthusiasm that they displayed, and the obvious credibility that the process has among the private sector.

On the other hand, there was little concrete progress in methods or timetables for the negotiations. However, the meeting served to bolster confidence in the integration process, and to reaffirm the commitment to the goal of integration. The negotiations on specific issues, such as the methodologies for integration and the timetables for reducing tariffs, will begin in 1997.

The ministers refrained from making a final decision on the occasion and means for initiating negotiations aimed at establishing the Alca [Free Trade Area of the Americas]. Nevertheless, they agreed that a system in this regard would be decided at the ministers' meeting in 1997. They also endorsed the commitment to make concrete progress toward the goal before the end of the century.

The debate was left open concerning the procedure to be used for advancing from the existing multiple bilateral and subregional accords to the hemispheric free trade zone.

Principles

The principles for the creation of the Free Trade Area of the Americas are the opening of markets, based on the existing subregional and bilateral accords; consistency with the regulations of the World Trade Organization (WTO); achieving a broad, balanced coverage; not imposing additional barriers against third parties; and expending a single effort that would cover all the mutual rights and obligations.

The ministers reaffirmed their intention to give special consideration to the continent's smallest economies. The countries pledged to provide technical assistance to them in the process of constructing the Alca.

Four new task forces were established, in addition to those created at the previous meeting in Denver, dealing with the following subjects: purchases of the public sector, intellectual property rights, services, and policy on competition. All the task forces were ordered to identify and examine the measures relating to trade in their respective areas, so as to determine possible focuses for the negotiations. It was stipulated that, at the 1997 ministers' meeting, a new task force would be created for the solution of controversies.

Furthermore, the vice ministers from the area were ordered to meet on at least three occasions before the next meeting.

Colombia: Government, Businessmen Reach 'Pact'

96SM0184C Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Report by special correspondent Ismael Enrique Medina — received via Internet]

[FBIS Translated Text] Cartagena—The government and business owners have committed themselves to a pact on truthfulness, inviting the politicians, the news media, and the society as a whole to participate.

The goal is to lower the tone of the statements being made by various sectors to the effect that the political crisis is the principal, or even the sole cause of the slowdown appearing in the economy.

The business associations claimed that they would maintain their critical position, but agreed to help sell the idea that the coffee crisis, the slowdown in construction, and interest rates also have had a great influence on the current difficult situation.

Meanwhile, the government pledged to provide more information, not to evade questions, and to adopt concrete measures aimed at fighting contraband and reactivating construction and coffee production.

At a breakfast meeting held at the Hilton Hotel in Cartagena, 10 business association directors and the finance minister, Guillermo Perry Rubio, reviewed the country's economic status. They concluded that, although there are signs of a slowdown, there are also options for emerging successfully from the current situation.

And, although it is claimed that good relations have always been maintained between the government and the guilds, this meeting may be considered the one that has revived a heightened rapprochement.

Topics such as President Samper's governability and temporary retirement were not discussed. The priority now is the economy.

Perry remarked: "We must attempt to have the political crisis resolved through its own channels, and to minimize the impacts of that crisis on the economy."

The minister emphasized that the strength that the Colombian economy has always shown is the major asset that the country possesses.

The chairman of the Council of Business Associations, Sabas Pretelt de la Vega, claimed that an attempt is being made to learn what is really happening to the economy, without exaggerating the effects possibly being brought on by the political crisis. He noted that this does not mean that the latter is not having a considerable influence.

He said that no gentlemen's agreement has been made, but rather an agreement on the truth, adding that the important thing is to seek a resolution of the crisis.

Mistakes

Mention was made of the importance of trade relations with the United States, and the need to handle any pronouncement made in the future with caution. For example, Perry admitted that it is harmful to make pronouncements discrediting the aid from the North American nation, such as those recently made by a minister and a vice minister.

The spokesmen for the productive sector stressed to the government the fact that decertification is very serious for the country's interests, underscoring the need for maintaining a more active presence in the United States.

The Guild Council's coordinator, Alfredo Fuentes, indicated that, besides really managing the effect of the political situation on the economy, permanent action must necessarily be taken to consolidate Colombia's image in the international arena.

He added that the productive sector clearly understands that the current political situation should not be attributed a greater impact than it deserves, but explained

that this does not mean that independence for making criticism should be lost.

Colombia: Luis Carlos Villegas Named ANDI President

96SM0184D Santa Fe de Bogota EL TIEMPO in Spanish 22 Mar 96

[Received via Internet]

[FBIS Translated Text] Pereira—The attorney from Pereira, Luis Carlos Villegas Echeverri, has become the most select president of the National Association of Industrialists (ANDI) in the entity's history.

His appointment occurred after six months of stringent selection, marked by severe confrontations among industrialists from different regions of the country attempting to impose their respective candidates. There were even rumors that the selection of the new leader was about to divide the association in two.

Villegas is the tenth president of the ANDI, an association founded 51 years ago, at the initiative of Antioquian business owners.

The guild director was introduced as a candidate for the position nearly a month ago by the ANDI sectional organizations in Viejo Caldas. Nevertheless, the internal dispute was so severe that his name was even rejected at the outset.

The selection was made unanimously. His nomination was supported by all 24 members of the ANDI general board of directors.

Besides being a lawyer, Villegas is an expert in socioeconomics, and received a master's degree in public administration from the University of Paris.

The new ANDI president and chief executive has served as president of the Western Financial Corporation (his current position), economic counselor at the Colombian Embassy in Paris, vice minister of foreign affairs, undersecretary of economic affairs and acting minister with the same portfolio, senator, and governor of Risaralda.

Satisfaction in Risaralda

The business association leaders of Risaralda expressed their pleasure at the election of Luis Carlos Villegas Echeverri, a native of Pereira, as the new president of the National Association of Industrialists.

The chairman of the Inter-Association Committee in this department, Julio Cesar Arango Garces, commented: "We are gratified at Luis Carlos' election to such an important position."

Arango Garces added: "We are pleased not only as Pereirans and Risaraldans, but also because we belong to the nation's industrial and productive business sector. We believe that the ANDI board of directors has not made a mistake in choosing him as its president."

He claimed that Villegas' election will make it possible to eliminate the resentment and the bad atmosphere that has existed in the country during the past few days between the sector and the government. He described Villegas as a person who is conciliatory by nature, with an an excellent aptitude for undertaking to direct and participate in the solution of industrial problems.

The ANDI manager in Risaralda, Jairo Melo Escobar, voicing his gratification, claimed that the best person was selected from among the group of candidates aspiring to that position.

"There is no one better than he for taking the association's destinies along the winding paths being traversed by the nation. He is a man with an extensive career in both the public and private sectors, who is familiar with the problems of the economy."

Melo Escobar revealed that this choice was expected, because he was a consensus candidate not affiliated with any economic group in the country.

Besides occupying the presidency of the Western Financial Corporation, Villegas Echeverri held the sectional presidency of the ANDI board of directors in Risaralda, and will have the responsibility of replacing another of his fellow countrymen, Carlos Arturo Angel Arango, also from Pereira.

Ecuador

Ecuador: Peru Accused of Increasing Troops on Border

PY2603021096 Madrid EFE in Spanish 2059 GMT 25 Mar 96

[FBIS Translated Text] Quito, 25 Mar (EFE) — The Ecuadoran National Communications Secretariat (Senacom) reported today that Ecuador has conveyed to guarantor countries of the Rio de Janeiro Protocol its concern over the apparent increase in the number of Peruvian troops on the border, something that jeopardizes the peace process between the two countries.

The Quito government "suspects that Peru is increasing its military forces on the border, particularly in the demilitarized zone, in an open violation of the pacts" signed at the end of the war the two countries waged last year, according to Senacom.

Moreover, the report adds that "the Lima government is giving signs of being unwilling to fulfill the arrangement

to meet with the Ecuadoran government in Quito before 23 April, in order to resolve the mechanisms to be adopted for transparency in the purchase of weapons" by the two countries.

The accusations made by Senacom with regard to Peru include the fact that Lima "seems to be sponsoring a unilateral veto of the Ecuadoran idea" on problems that prevent the conclusion of the border delimitation, which has caused three wars between the two countries over the past 55 years.

According to Ecuador, Peru is also carrying out a plan to freeze the approval of procedures for the development of future negotiations for the definitive delimitation of the border, with the intention of resuming any negotiation with the future Ecuadoran government, which will assume office in August 1996.

"Nor is there any progress concerning the approval by Peru of the Ecuadoran aspiration to achieve the signing of a nonaggression pact" to prevent "new military adventurism" against Ecuador.

The organization of a neighbor-commission as a mechanism of consultation to promote cooperation has been stalemated by the Lima government, as has been the approval of the procedures for the new period of activities of the Ecuador-Peru Mission of Military Observers (MOMEP), the Senacom adds.

The MOMEP is comprised of military officers from Chile, Argentina, Brazil, and the United States, guarantor countries of the Rio de Janeiro Protocol — which, in 1942, established the limits between Ecuador and Peru — and of the peace agreement with which the two countries ended the war waged in January and February 1995 on an undemarcated strip of their common Amazon border.

The Senacom adds that "at the military level, and after the meetings held between the military commanders of the two countries (in February)," Peru "is reportedly also delaying the fulfillment of some agreements and the establishment of new contacts between military officers of the two countries."

Thus, "a number of events are taking place which explain the Ecuadoran concern" and which make the Ecuadoran presidency hold meetings with the presidential candidates who will run in the elections to be held in May, "in order to keep them informed."

Ecuador: MOMEP Denies Destruction of Buildings on Border

PY2503200796 Quito Voz de Los Andes in Spanish 1700 GMT 25 Mar 96

[FBIS Translated Text] The Ecuador-Peru Military Observers Mission, MOMEP, has denied the destruction of Ecuadoran buildings on the Amazon border, as stated by press reports datelined Lima.

An unidentified MOMEP spokesman posted in the Amazon town of Patuca told Guayaquil newspaper EL UNIVERSO that inside the demilitarized zone between Ecuador and Peru are big buildings that were abandoned by Peruvian and Ecuadoran troops during the separation of forces.

The source this refuted reports from Lima that on 23 March the MOMEP was preparing to destroy a group of buildings allegedly built by Ecuador in the demilitarized zone.

The report, citing sources linked to MOMEP, states that 22 officers of this mission overflew the area. They saw black bags used to cover objects. [sentence as heard] They tried to land but were unable to.

Ecuador: Administration Facing Strike by Farmers

PY2603030696 Madrid EFE in Spanish 2002 GMT 25 Mar 96

[FBIS Translated Text] Quito, 25 Mar (EFE) — The conservative Ecuadoran government of Sixto Duran-Ballen is facing, as of today, the fifth strike of this year. This time the strike was adopted by farmers who demand the condoning of their debt to the National Development Bank (BNF).

The peasants began the strike today by blocking several Ecuadoran coastal and mountain highways to demand a condoning of the debts they contracted in due time with the BNF for the development of the rural areas.

Sources from the strikers stated that they will not give up the measure; they are ready "to shed blood and even die" until the government decides to listen to their demands.

Highways of the southern Andean mountainous region and those of the coast; namely, those around the town of Machala — a banana region — were blocked with rocks, tires, and trees.

Duran-Ballen must face this new strike after a two-day respite; in a similar situation, transport workers halted their activities due to the Quito Town Council measure removing buses that had been in service for more than 20 years from circulation.

The protests of the transport workers from the Ecuadoran capital were supported by their counterparts in the two main cities of the country — Guayaquil and Cuenca — where transport service was also paralyzed as a solidarity measure.

These two strikes were added to those of the electric, health, and education areas that developed intermittently since January and caused a stoppage of activities to protest government economic policy and demand salary increases.

But this wave of strikes is threatening to continue with the new announcement by the health sector — scheduled for this weekend — and by public educators — scheduled for the first few days of April — which have called for stoppages in demand of better salaries.

Colombia: Administration Secretary General Appointed

PY2603033096 Madrid EFE in Spanish 2351 GMT 25 Mar 96

[FBIS Translated Text] Quito, 25 Mar (EFE) — Ecuadoran President Sixto Duran-Ballen today appointed Juan Aguirre new administration secretary general. He replaces Raul Gangotena, who resigned due to his disagreements with the official policy.

Official sources have reported that Aguirre, who was the presidency secretary, will be sworn in tomorrow during a ceremony to be held at the Carondelet Palace, which is the government house.

Gangotena resigned from his post because he disapproved of the way the government handled the strike staged by owners of obsolete buses. The strike paralyzed the Quito public transport system for four days last week.

Ecuador: Fraud Alleged in Rice Warehousing

96SM0159A Guayaquil VISTAZO in Spanish 7 Mar 96

[Article: "Where Is the Rice?" — received via Internet]

[FBIS Translated Text] *ENAC's deal of 700,000 quintals of rice causes a loss to the nation of more than 30 billion sucres.*

It is not the first time that rice, the country's most highly consumed grain, has caused controversy or created fraudulent deals and swindles. The last great scandal — in 1986, over the importation of weevil-infested rice — caused the resignation of the minister of agriculture.

This time, the nation may have lost between 30 and 45 billion sucres, due to the disappearance of over 700,000 quintals [1 quintal equals 46 kg] of rice that ENAC [National Enterprise for Warehousing and Marketing] was holding as a strategic reserve to regulate the market.

When ENAC set out to use part of the rice surplus for export at the beginning of the year, it "noticed" that rice which was supposed to be warehoused in Alnaca, Altresa (both located in Puebloviejo) and Almaunion had disappeared. Many persons seem to be responsible for the missing rice — not only the warehouse companies (one of which, Alnaca, supposedly the property of Cesar Jara Cerezo, is allegedly linked to the drug traffic, according to the state prosecutor's office) which are legally responsible for the storage and security of the rice, but also ENAC personnel, and the Superintendency of Banks, which oversees the warehouses.

During the main harvesting months of April, May, and June, ENAC customarily acquires about 25 percent of the unmilled rice in sessions of the Commodity Exchange, buying the deposit certificates of the warehouses where the growers have deposited their rice. From that moment, the rice belongs to ENAC, while the warehouses are legally responsible for protecting the rice. ENAC pays rent for the storage and conducts periodic inspections of the commodity.

Suspicions over the disappearance of the rice are not of recent origin. Between 11 and 13 September 1995, as ENAC was planning to put the grain on the market, Agents of the Commodities Exchange had already been warning the Ministry of Agriculture, the director of the Commodities Exchange, and the head of ENAC of the possible disappearance of the unmilled rice from the 1994 harvest, according to Servio Lima, representative of the National Association of Commodities Exchange Agents, a group that is in the process of being formed.

Despite this warning, on 20 September 1995, session 175 took place, in which ENAC placed on the market 1.3 million quintals of its unmilled rice. It is said that the procedure for that session was changed to permit the manipulation of the price of a quintal of ENAC's rice, which was not to go below 29,500 sucres per quintal (when it was 25,000 sucres on the market) and rise to 33,500 sucres, thereby permitting the acquisition of approximately 80 percent of ENAC's certificates for unmilled rice by the warehouse companies Alnaca, Altresa, and Almaunion, whose agents were to pay ENAC the equivalent of 63 percent of ENAC's unmilled rice in milled rice, or some 900,000 quintals.

However, the president of the Commodities Exchange, Luis Fernando Amador, denies that any irregularity occurred at that session. "ENAC was going to transact 450,000 quintals of rice and by mistake in the first session it was going to give 15,000 quintals to each agent, but why would they benefit the first 30 agents

to get up early? This offer was withdrawn (ENAC) to make a new arrangement and to ensure a properly run exchange," said Amador.

Fake Certificates

But the problem is that most of the certificates for milled rice that were negotiated that day had no backing — that is, ENAC received false certificates issued by the warehouses Alnaca, Altresa, and Almaunion for a commodity that did not exist. And furthermore, the unmilled rice sold by ENAC had supposedly disappeared some time earlier; but coincidentally, most of it had been deposited in the same warehouses. Which shows that there could have ben a double swindle, by the warehouse companies and by officials of ENAC and the Superintendency of Banking, who should have conducted audits and been aware of the nonexistence of the commodity.

It is known that between September and December, the Superintendency of Banking conducted an audit at Alnaca, and apparently the rice was there at that time. In December, ENAC also carried out an inspection of the warehouses, and the milled rice presumably existed. However, it seems certain that these audits and inspections were phoney, as it is difficult to conceal and move such an amount of rice in a few weeks.

The State Prosecutor General, Fernando Casares, has carried out investigations [excitativas fiscales] of the heads of Alnaca, Altresa, and Almaunion with regard to the disappearance of the milled rice, some 700,000 quintals, as well as of the head of ENAC, Telmo Torres.

The investigation of Alnaca established that some of the deposit certificates had expired and that the ENAC officials who were responsible neither renewed them nor removed the rice in the allotted time, simply allowing the term to run out, after which the rice could be sold by the warehouse. In other cases, the rice simply did not exist.

It was also discovered that many of the deposit certificates were false, as the persons who purportedly deposited the rice and signed the documents were nonexistent. However, some growers, merchants, and millers who are included in the investigation into the missing rice at Altresa — for example, members of the Orellana group, one of the most important rice businesses in the country — affirm, supported by documents, that they did deposit the rice. "Why is there an arrest order against those of us who did deposit the rice, which is the rice that the undersecretary said he had recovered in the Altresa warehouse? ENAC and the Superintendency, who never inspected or verified the rice that was deposited, must now answer for the missing rice. The Commodities Exchange should be required to give a public explanation," say the brothers Jose and Olegario Orellana.

The president of the Commodities Exchange denies that the Exchange has any responsibility for transactions in false rice certificates. "We do not perform inspections and the Exchange has no authority to go to a warehouse and tell them to show us the rice. It is the owner of the certificates (ENAC) who can verify the existence of the rice. The Exchange is a place where buyers and sellers of commodities meet." Meanwhile, Enrique Gomez, undersecretary for investments of the ministry of agriculture, says that, as the investigations within ENAC proceed, "whoever is guilty should be punished."

Involved in these dealings and the economic losses to the state is the credibility of a system of rice commercialization that has given good results in recent years, especially for hundreds of growers who could market their rice with the certainty that it would find a market. It is indispensable therefore to discover what became of the rice, in order to restore confidence in the system.

Ecuador: Abuse of Gas Subsidies Alleged

96SM0159B Guayaquil VISTAZO in Spanish 7 Mar 96

[Article: "A Fat and Profitable Business" — received via Internet]

[FBIS Translated Text] *$50 million is divided among three bottling companies that fight over the market and do not invest a sucre in raw material.*

Each year, the government spends some $220 million on the subsidy for liquid petroleum gas [LPG]. Petroecuador [Ecuadorian State Petroleum Enterprise], through its subsidiary Petrocomercial [expansion not given], pays various private companies great sums of money to keep the domestic market supplied. This attractive business has sparked the genius of almost all of the participants in the commercial process. The goal: to "bleed" the state as much as possible and increase their personal profits. Irregularities occur in each stage of the process: Markets are sabotaged, shipments are made over the longest routes or to the most distant destinations, the weight of the cylinders is doctored, proper maintenance is not provided, and so on, for a thousand and one more tricks.

A Volatile History

Petroleum liquid gas has been marketed in the country for the past 40 years. According to data from the housing census, gas is used by 88 percent of the homes in the

urban areas of Ecuador. This means daily circulation of 100,000 cylinders of 15 KG capacity.

The increase in domestic consumption is due principally to the fact that the fuel has become the banner of the social policy of each government of the moment. Since 1980, its price has decreased precipitously in real terms. While 15 years ago a cylinder of gas was worth $5, today it costs less than $1. Little by little, the state has made up the difference.

Fifty percent of the LPG consumed domestically is imported, with the rest supplied by the fields of Oriente and the Santa Elena peninsula. There is also the gas produced by the Esmeraldas, Libertad and Lago Agrio refineries. The most important production area is Shushufindi in Sucumbios province.

The Gas Route

The principal storage centers are in Esmeraldas, El Beaterio (Quito) and El Salitral (Guayaquil). From there, the big sausage-type tank trucks pick the gas up to bring it to the bottling plants. So far, the process belongs exclusively to Petrocomercial. Then begins the best deal in the world for eight companies, whose plants are located strategically across the length and breadth of the country.

Four of the companies are private: Agipecuador, Duragas, Congas, and Autogas, which together control 94 percent of the domestic market. Three are of mixed ownership: Austrogas, Centrogas, and Lojagas, with only five percent of the market. The eighth and last is Petrocomercial, which, although it bottles 40 percent of the gas, markets only one percent.

The large tanker trucks, similar to the one involved in an accident last week on the bridge over the Guayas river, load the gas without paying a single sucre to Petrocomercial. Which means that the state makes a gift of the much desired gas. But that is not all — they are paid to take it away. Depending on where the truck is going, Petrocomercial pays a fee per kilometer/kilogram travelled. For example, if the bottler is in Quito and the gas runs out in El Beaterio, the truck has to load in Esmeraldas or Guayaquil. The trips pay, on average, 1,500 sucres per cylinder.

The gas is unloaded at the bottling plant, stored, and then bottled in the cylinders. For the privilege of doing this, Petrocomercial grants the company 450 sucres more for each cylinder filled. For distributing it wholesale, the company earns 270 sucres more. For transporting the 15-KG cylinder from the bottling plant to the place where it is to be sold to the public, the bottler or whoever performs this task collects 2,025 sucres. So that the cylinder will be gleaming, which is almost never the case, Petrocomercial pays 540 sucres for the maintenance of each cylinder. A profit for the retailer of 750 sucres has been allocated. As if this were not enough, the final distributors, at the moment they receive the gas, pay the bottlers 1,245 sucres for each cylinder acquired. This sum goes to the company that receives it as compensation for the administrative expenses it incurs.

In sum, not only does the state give away the gas, it pays 4,035 sucres in addition. In 1995, this came to a total of 150 billion sucres, enough money to have bought Quito's bus system for cash on the barrelhead. For "administrative expenses," the companies received an additional 50 billion sucres from the public.

The managing director of Duragas, doctor Nino Salvatore, said in a letter to Agipecuador manager Andrea Menozzi that he would request a decrease in the weighted cost of transporting a cylinder from 80 to 50 sucres, because he considered it to be too high. As if one executive were to say to another: "The excess amount that you are giving away to distributors for the transportation of cylinders represents for the state a subsidy of more than 15 billion sucres annually."

Notarized Swindles

If perhaps the foregoing seems trivial, there is still more in this fantastic business. On 12 September 1995, notary 33 of Guayaquil, lawyer Kleber Cepeda, conducted an inspection of gas cylinders used in Puerto Principal.

At the request of a concerned person, at 1650 hours on the day mentioned, the notary appeared at the Duragas plant located in the Salitral area in Guayaquil, leaving with 15 gas cylinders. The average weight of the cylinders was 13.5 KG, or 1.5 KG less than the correct weight. Only 20 percent of the cylinders registered the correct weight. One third of the cylinders were losing gas due to faulty valves.

A similar test was performed on 28 September 1995 in Santo Domingo de los Colorados. Notary 2 of that canton found that at various distribution centers, the average weight of the cylinders was 12.4 KG, a shortage of 2.6 KG. And in Manta, notary 3 of that canton found something worse: the average weight per cylinder was only 11.6 KG.

For each missing kilogram of gas, the consumer loses 193 sucres. These irregularities were denounced to the appropriate authorities, who seem to have taken no action. Worse, an attempt to confirm these short weights —made by the subdirector of the National Hydrocarbons Directorate [DNH]—failed, due to the refusal by the owners of one of the bottling plants to allow him to enter the premises.

Engineer Mario Gonzalez, director of the DNH, assured VISTAZO that the DNH has inspectors who are stationed in the bottling plants to verify the quantity and quality of the cylinders. He recognized, however, that "It may be that some bottlers work outside of normal hours, in which case our inspectors would not be present. Irregular situations might arise, and if they do, when they are discovered they are sanctioned."

Dumping

Under the current legal arrangement, the gas companies have their areas of influence, in which they can fill other companies' cylinders, but they cannot transport full cylinders from one zone to another.

Denunciations have reached our offices in Guayaquil to the effect that in some cities there are persons — sponsored by the large companies — who sell gas at less than the official price in order to drive the small regional companies out of the market.

In Yanzatza, province of Zamora-Chinchipe, Mr. Jaime Vivanco Ojeda was not favorably regarded by the other gas distributors when he came to their town to sell at the official price. Earlier, the gas used to cost as much as 5,000 sucres, despite the fact that the distributors receive a payment based on distance travelled.

In August 1995, ex-DNH Director engineer Guillermo Granja received a communication from a distributor in the central part of the country informing him that "we have been able to confirm that this illegal procedure is also being promoted in the province of Chimborazo."

In Guayaquil, newspaper stories printed during September 1995 report that stands belonging to one of the large companies were being set up in downtown streets, close to small distributors, to sell gas more cheaply. The National Police have taken no action. The director of the DNH, when asked about these problems between companies, said: "I am not a lawyer, but according to the agreement regulating the gas business, it is illegal to sell at a price lower than 2,900 sucres."

Smuggling

Do you know how long a cylinder of gas lasts in a family of five persons? Normally, between 10 and 15 days. But, analyzing the statistics from Petrocomercial, we notice that in the border provinces of Carchi and Sucumbios, a cylinder of gas lasts only five or six days for each family. There are two possible reasons for this high consumption: the northerners cook three times as much as the rest of the Ecuadorians, or they are selling the gas to Colombia. As the second hypothesis is the more likely, we conclude that the Ecuadoran state is making a gift to the Colombians of 18 billion sucres a year. If this could be stopped, with the money saved in only 15 months, Guayaquil could have a slaughterhouse as modern as the one recently inaugurated in Quito.

One assumes that similar or greater amounts escape to Peru constantly. However, this smuggling is not reflected in 1995 statistics, due to the closing of the border as a consequence of the War of the Cenepa.

At the close of our edition, Deputy Luis Almeida called for the arrest of the head of one of the bottling companies. We hope that the money of 11 million Ecuadorians is not given away so easily.

Ecuador: FTAA Members' Disparate Conditions Viewed

96SM0177A Quito HOY in Spanish 20 Mar 96

[Unattributed article: "Free Trade's Challenge" — received via Internet]

[FBIS Translated Excerpt] Cartagena. The Free Trade Area of the Americas [FTAA], planned for the year 2005 as the largest common market in the world, represents a third of the planet's wealth, but very badly distributed.

The 34 countries that want to join the FTAA — all the countries of the Americas, except for Cuba — have $8.64 trillion of gross domestic product [GDP]; but a single one, the United States, has 78 percent of that total, with $6.74 trillion.

At the opposite end is Dominica, with a GDP of only $197 million, equal to .002 percent of the continental total.

Thus, the formation of the FTAA is going to be like the merger of a vast multinational chain of supermarkets with some itinerant peddlers.

The GDP of the United States is 34,213 times greater than that of Dominica, but the difference is not great only between the richest and poorest countries in the region (in terms of national production). The United States also greatly exceeds the countries that follow it in economic importance in the future FTAA: Canada, Brazil, Mexico, and Argentina.

The GDP of the United States is nine times greater than that of Canada ($750 billion), 16 times that of Brazil ($413 billion), 25 times that of Mexico ($269 billion), and more than 30 times that of Argentina ($206 billion).

The distribution by inhabitant also reveals enormous differences, according to official figures distibuted at Cartagena, on Colombia's Caribbean coast, where this week 2,400 officials and businessmen from all over the

region are meeting to discuss the foundations of the FTAA.

The per capita GDP of the United States is $25,852 and that of Canada $25,634, both 125 times greater than that of Haiti ($208) and 44 times those of Nicaragua and Honduras ($579 and $593, respectively).

The highest per capita GDP in Hispanoamerica is that of Argentina, with $6,081 — one-fourth those of the United States and Canada.

There are also considerable differences in population, from the 260 million inhabitants of the United States and the 159 million of Brazil, to the 40,000 of Saint Kitts and Nevis.

And in territory: from the almost ten million square kilometers of Canada and the United States, or the more than eight million of Brazil, to the 262 square kilometers of Saint Kitts and Nevis and the 344 of Granada.

The FTAA negotiators will have to try very hard in order to make a viable common market out of countries as dissimilar as Suriname, with an annual inflation rate of almost 400 percent, or Brazil, which in recent years reached a 2,700 percent increase in its consumer price index, and those that do not exceed three percent, such as the United States, Granada, Dominica and Canada.

The same thing occurs when foreign trade is compared: annual exports of the United States exceed $500 billion, while those of Granada are barely $26 million (they could fit into a truck and are almost 20,000 times less than those of the United States.)

Foreign sales of the three "big countries" of Latin America, Brazil, Mexico and Argentina, add up to almost $150 billion a year, less than a third of those of the United States. [passage omitted]

Paraguay

Paraguay: U.S. Official, Wasmosy Discuss Drug Issues

PY2603020496 Asuncion ABC COLOR in Spanish 23 Mar 96 p 11

[FBIS Translated Text] Timothy Wirth, U.S. State Department under secretary for global affairs, 56, visited Paraguay for a few hours and took this opportunity to hold talks with President Juan Carlos Wasmosy on drug trafficking, smuggling, the environment, and the democratic process in Paraguay, among other subjects. In the course of a news conference with local reporters at the U.S. Embassy in Asuncion, Wirth stated that he had exchanged a substantial amount of information on drug trafficking with the Paraguayan president.

The U.S. State Department official asserted that Paraguay is one of the main transit countries for drugs in South America. Asked whether he told Wasmosy about the drug routes in Paraguay, Wirth answered: "The question would be what Paraguay, given the fact that it has all this information, should do to convince the authorities about what they should do and where they should act, and not be the best friend of drug traffickers." He noted that Paraguay will need great institutional fortitude, and that he hopes the Wasmosy administration may be able to set an example.

U.S. Ambassador Robert Service — who also participated in the news conference and in the luncheon with Wasmosy — subsequently interposed that "most, or a considerable part, of the drugs in transit go through the border areas, and, perhaps, virtually through Pedro Juan Caballero. [no closing quotation marks as published]

Service pointed out that the important thing for the Paraguayan Government is to continue with the professional development of the investigative element, which will enable the identification of the persons involved in drug trafficking. He added that the government should endeavor to try to obtain the necessary evidence to prosecute drug traffickers.

Only Paraguay and Colombia failed to obtain the "full cooperation" classification among the democratic nations of the hemisphere, according to the U.S. Department of State's report released last 1 May [date as published].

In the chapter devoted to Paraguay, the report states: "Paraguay, a transit country for the Bolivian and Colombian cocaine routed to Argentina, Brazil, the United States, and Europe, and producer of high-quality marijuana, still does not abide by the objectives set forth by the UN Convention of 1988."

Under Secretary Wirth declared that it is central to create special forces to combat drug traffickers because the latter are often better armed than security forces (the police and/or the military).

The U.S. official further stated that the United States will be unable to invest more in Paraguay unless it settles the issue of intellectual property rights (piracy of phonographic material).

Wirth also reported that, on behalf of the United States, he offered the head of state cooperation in the preservation of the environment, particularly technical cooperation in the construction of the Parana-Paraguay Waterway.

[Asuncion ABC COLOR in Spanish carries a report in its 25 March edition on page 3 that adds the following:

"On 24 March, the U.S. Embassy [in Asuncion] released a clarification asserting that U.S. Under Secretary Timothy E. Wirth had suggested that 'if Paraguay failed to address the problem of drug trafficking, it would indeed be tantamount to being the best friend of drug traffickers.'"

Paraguay: Editorial Views 'Lessons' From Peasant March

PY2203192096 Asuncion NOTICIAS in Spanish 17 Mar 96 p 20

[Editorial: "Latent Violence"]

[FBIS Translated Text] The peasant march on 15 March has left some lessons that must be taken into account because the problem of the rural workers could become a real time bomb.

Obviously it is not a new problem, but the situation has been dragging on and a very serious new factor has been added to the situation: The feeling of frustration.

The first lesson indicates that there is no more time for very long studies, discussions, proposals, and counterproposals. The situation of the peasants is pressing and the leaders themselves are being hounded by their people. In the second place, it must be taken into account that the peasants have adopted a radicalized position. One of their main leaders has urged them to occupy rural properties and to block highways because he considers that violent action is the only type of action that is left for them. And, the third lesson is that the government's inaction with regard to resolving the problem cannot continue. The government should have been seated at the table of dialogue with a more concrete proposal that could have been a starting point for the negotiations that the representatives of the peasants rejected.

The violence is latent. There have been exhortations in this respect, and there are factors that indicate there is a willingness to resort to resolute action such as the massive occupation of rural properties and the blocking of highways. In order to prevent this, the government must come up with concrete proposals within the next few days and unequivocally demonstrate its willingness to seek viable and satisfactory solutions to the problems. It is obvious that the concrete proposals will contain plans that can be implemented immediately and that will alleviate the situation of the peasants; that is, if it is legally possible to implement them, and as long as they are within the scope of the country's possibilities. This requires a lot of inventiveness and expertise, something that, to date, the officials of the appropriate sector have not demonstrated. The replacement of inept officials is obviously essential because it is clearly apparent that with the current team, the executive branch will not be able to seek reasonable solutions.

It is important to point out that we have a serious situation at hand. It is true that the crisis is not a new one, but it has reached such a stage that it has become very dangerous because the patience of the peasants seems to have been exhausted. In addition, they now have, as does the entire population, a freedom that was unheard of until a few years ago; therefore, their actions could become much more explosive.

It is presumed that during the next week the peasants will not yet adopt extreme measures because they must evaluate the results of their march in Asuncion and discuss matters with their respective organizations. Therefore, it will be a week of truce, and the government must take advantage of it in the best way it can. And the sooner, the better.

Paraguay: Demonstrators, Police Clash Over Nomination

PY2203141896 Asuncion NOTICIAS in Spanish 22 Mar 96 pp 16, 17

[FBIS Translated Text] Concepcion — For the second consecutive day, Concepcion was the epicenter of a tumult caused by a sector of the community that opposes the naming of Eleuteria Benitez as director of the Regional Educational Center.

Yesterday's incidents occurred when some 3,000 persons tried forcefully to enter the premises of the institution, thus provoking repression by the police who used force and violence. Teachers and students participating in the rally were dressed in black.

There were blows, and truncheons and tear gas were used as the demonstrators called for the resignation of the education minister [Nicanor Duarte Frutos]. They also want Josefina Ovelar de Benitez to remain in the post she has occupied for the past year. Two police vehicles were totally destroyed and a truck belonging to the Anti-Riot Squad was burned by the demonstrators.

The aggression was mutual, because the demonstrators threw stones at the police. People from both groups were wounded, beaten, and bruised (demonstrators and police).

Luis Maria Flecha, RPC [Red Privada de Communicacion] correspondent, was also a target of the violence. He was pushed around, and a mobile unit of our enterprise had its windshield broken and suffered other damage.

The correspondent of the newspaper ABC COLOR was also attacked during the confrontation.

The conflict turned serious on 20 March when the new director was installed. She was named on the basis of a study of academic qualifications by the Education Ministry, and the ceremony was presided over by the education minister.

On that occasion, the police repressed a group of demonstrators that entered the building to protest the naming of that person. Some 30 persons were attended at medical centers and then allowed to go home. Arrests were also made.

In a communique, the Concepcion police chief indicates that tear gas was used because people assembled in front of the Educational Center, preventing the access of the education minister and the new director of the educational center.

Peru

Peru: New U.S. Drug Enforcement Initiatives Viewed

PY2203134396 Lima LA REPUBLICA in Spanish 19 Mar 96 p 18

[Editorial: "Resume the Initiative?"]

[FBIS Translated Text] The announcement by the Clinton administration that it would resume drug enforcement "with a leadership at the highest level and within the framework of national security" should not be ignored by any of the producer countries, including Peru, which may soon be required to make new efforts — in addition to those they are already making — to fight this scourge in their territory.

Although part of this announcement may seem motivated by the electoral campaign currently underway in the United States (it is obvious that President Clinton wanted to take the initiative and "beat" his republican adversary on this subject), the announced package prompts one to take it seriously.

Among these measures are:

1. The appointment of Barry McCaffrey, a general who until recently commanded the U.S. Army Southern Command — headquartered in Panama — as the new drug czar. McCaffrey immediately announced his visit to Mexico, from where 70 percent of the drugs consumed in the United States come. It is quite likely that he will soon visit us, as he has mentioned the Upper Huallaga and El Chapare (Bolivia) as the root of the problem.

2. The announcement that Bill Clinton will personally preside over the White House Anti-Drug Council, which comprises 14 members of the highest U.S. Government officials. On top of this comes McCaffrey's announcement that the U.S. Government will seek an "alliance" with drug-producer countries.

3. Barry McCaffrey, in his capacity as director general of the drug enforcement policy, will attend White House National Security Council meetings, which implies a return to the theory upheld by former President Bush.

These are the most outstanding measures adopted by the U.S. Government since George Bush declared "war on drugs" in 1989 and summoned Latin American chiefs of state to the antinarcotics summit in San Antonio, which — despite all the fine words and a declaration that was signed unanimously — was unable to conceal basic disagreements.

The disagreements were of a varied nature, but undoubtedly the most important one referred to Washington's insistence on interdiction and measures that were almost totally repressive to fight the problem, while the producer countries — especially Bolivia and Peru — favored replacing coca plantations with other crops and implementing an alternative development policy.

The aftermath of that was the U.S. proposal to create a multinational force to fight drug trafficking. This proposal was flatly rejected by Colombia, Peru, Ecuador and Bolivia. Mexico joined in, recalling that its Constitution expressly prohibits any intervention of foreign troops in its territory.

What really upset things was the U.S. announcement that it would gradually reduce the resources granted to producer countries to eradicate drug trafficking. In Peru's case these resources amount to some $74 million, and have experienced a slight increase.

Although Gen. McCaffrey flatly rejected the theory that the problem concerns the United States because it has the largest number of consumers, it is not clear if he also referred to the idea of implementing the "shared responsibility" theory between producer and consumer countries — which has been upheld by Peru for many years and which is now lost under a stack of useless papers — as well as maintaining bilateral agreements on drugs.

Therefore, our country should be prepared for anything. It may be subject to the same pressure exerted on Bolivia to reduce the size of coca plantations in El Chapare — in our case in Huallaga — or be asked to step up repression measures: To bomb air strips or to down aircraft, etc., in the coca-growing valleys.

The truth is that for the time being there does not seem to be any threat: We have just been awarded the arbitrary "certification" by the U.S. administration — which considers us a "cooperative" country in the

struggle against drug trafficking — and we are in the "second row" regarding future pressure.

We will continue to tread mined territory for as long as Upper Huallaga and its 120,000 hectares of coca plantations represent the greatest empire of illegal plantations in the world. It is thus an example of something that must be repudiated.

In view of all this, and without further delay, the government must insist on its alternative development project — the low prices resulting from excessive coca production represents the best moment to successfully implement these programs — and insist that developed countries provide the resources to implement them.

The case of Japan, which has granted $89,000 for the development of an alternative crop, and the planting in Huallaga of a shrub called camu-camu which has a fruit with higher citric properties than lemons and of which 20,000 metric tons are already being exported, are examples of what can be done.

Undoubtedly, repression cannot be neglected. The presidential announcement that narcotics kingpins will be captured, just as terrorist leaders were, seems adequate.

The replacement of coca plantations with alternative crops and returning the Huallaga valley to the legal economic circuit are the best ways to eradicate drug trafficking. We must never forget this.

Peru: Industry Minister Discloses Talks With Mercosur

PY2303013196 Lima GESTION in Spanish 19 Mar 96 p 40

[FBIS Translated Excerpt] Industry, Tourism, Integration, and International Trade Negotiations Minister Liliana Canale announced on 18 March that the first stage of negotiations with Mercosur [Common Market of the South] will conclude in the first half of this year. She also reiterated that trade negotiations with Chile will be resumed in April.

Canale explained that Peruvian trade negotiations with Mercosur will be carried out in two stages: The first stage, the short-term stage, will review the so-called "longstanding" agreements, that is, the individual agreements with the Mercosur members (Brazil, Argentina, Paraguay, and Uruguay) within the framework of the Latin American Integration Association (ALADI), with the purpose of transforming them into multilateral agreements.

This stage will serve to review the tariff preferences granted to each country and the imported products that create distortions in free competition will be withdrawn.

The second stage, the long-term stage, covers the negotiations to establish the South American Free Trade Zone with the idea of converging hemispheric free trade into that zone.

Regarding the trade negotiations with Chile, Canale said that the main problems have been overcome because Chile has understood that the negotiations must be based on the general principles of international trade without distortions.

She said that the list of zero tariff would include another list that considers 10 years of gradual tariff reduction of Chilean products that receive some stimulation or subsidy. A decision was also made that the products from the free zones and automobiles will not have zero tariff. Canale added that the list of products to be included on each list will be discussed in April.

Canale pointed out that Peru is carrying out a long-term effort. One is aimed at joining NAFTA and the other at joining the APEC [Asia-Pacific Economic Cooperation] forum as a full member. [passage omitted]

Peru: Military Meeting in Neutral Country Proposed

PY2203142196 Madrid EFE in Spanish 1913 GMT 21 Mar 96

[FBIS Translated Text] Lima, 21 Mar (EFE) — Peruvian Foreign Minister Francisco Tudela today suggested that "psychological freedom" would be achieved if the first meeting of the military delegations from Peru and Ecuador were held in a neutral country, not in Quito, as proposed by his Ecuadoran counterpart Galo Leoro.

The objective of this meeting is to create a commission to design mechanisms that seek openness in the purchase of weapons, as agreed between the two governments after the Peruvian report last year that Ecuador had purchased four Israeli-made Kfir aircraft.

In remarks to the Lima newspaper EL MUNDO, Tudela said: "It would be better to hold these meetings in a third country — maybe one of the guarantors — so both nations will enjoy a psychological freedom they would not have in Quito or in Lima."

The Peruvian foreign minister added, however, that his position is "very personal" because the decision must be made by the Defense Ministries of Peru and Ecuador, the Foreign Ministries cannot decide on this matter.

The commission to design the mechanisms must be established by April at the latest, at the end of the 60-day deadline established to begin discussing the objectives and procedures to be followed.

Concerning the peace process with Ecuador, Tudela said it is a "difficult matter, and it will always be difficult," but it offered "rewarding difficulties" from the moment the two nations offered their totally differing positions that have been overcome, yet there is still a stage of mistrust that emerged after the undeclared war of January and February 1995.

Tudela said that the list of "impasses" (disagreements between the two nations), shows that of the 1,542 km of Peruvian-Ecuadoran border, Ecuador has no claim over 1,300 kilometers. He said: "That is secure, which is positive."

Peru: World Bank $500 Million Loan Covers Brady Plan Fees

PY2503201596 Lima EL COMERCIO in Spanish 22 Mar 96 p A4

[Report by Gladys Bernal Barzola, special envoy to Palcamayo-Tarma]

[FBIS Translated Excerpt] Peru will pay the $330 million fee to join the Brady Plan, which will help it to improve its foreign debt payment terms.

Of this fee, $180 million will come from a $500 million loan the World Bank will grant Peru this year.

President Alberto Fujimori announced in this city that the other $150 million will be provided by the Treasury, from the financial credit slot.

Fujimori said that of the $500 million Peru will receive this year, $80 million will be used to provide water and to pay salaries in the mountainous region; $21 million will be used to administer justice, and $150 million to mend highways. Peru has asked for another $50 million for the new program to grant title deeds to property owners.

A further $150 million to finance small-scale projects in small towns will also be approved.

Fujimori said the World Bank is very interested in the massive family planning program. [passage omitted]

Peru: Poll Shows Large Majority Against Petroperu Sale

96SM0174A Lima LA REPUBLICA in Spanish 20 Mar 96

[Article: "Overwhelming Majority Opposes Privatization of Petroperu" — received via Internet]

[FBIS Translated Text] *64 percent of those polled oppose the measure and only 30 percent approve.*

An overwhelming 64 percent of Lima's residents are against the privatization of Petroperu [State Petroleum Agency], the largest state-owned company, according to the results of a survey conducted last week in metropolitan Lima.

The opinion poll, carried out by Apoyo S.A., indicates that only 30 percent favor transferring Petroperu to the private sector, while 6 percent have no opinion.

These results confirm the results of other polls conducted by firms specialized in public opinion studies, and also show an increase in the number of those opposed to privatizing Petroperu.

But disagreement with the privatization of Petroperu also extends to other state enterprises, when 50 percent are opposed to their sale to the private sector, while 40 percent favor the measure and 9 percent express no opinion.

The survey also reveals that the public is somewhat fed up with and nurtures doubts about the government's economic policies.

Thus, we find that, for the second consecutive month, a plurality of Peruvians, 37 percent, believe their economic situation is worse than a year ago, as opposed to only 19 percent who believe the contrary, while 44 percent believe it unchanged.

As to their view of the future, the optimists continued to represent a majority in March, says Alfredo Torres, who is in charge of polling. However, the gap separating the two groups has been substantially reduced.

Last December, 49 percent of those interviewed believed that their family situation would improve during the next 12 months, as opposed to only 10 percent who thought it would worsen.

The number of optimists has shrunk today to 33 percent, while the pessimists have increased to 24 percent, with a possiblity that this tendency will increase in future months — taking into account that the government believes the recession will continue into mid-year.

Thus, the performance of Minister of Economics and Finance Jorge Camet registers a 36 percent approval rating, seven percent less than February, while his disapproval rating rose to 40 percent.

Approval of Camet's economic policies also fell by 10 percent, from 49 percent to 39.

Another important datum of the survey is that, for the first time, a public personage has surpassed President Alberto Fujimori in popularity.

This is Lima's Mayor, Alberto Andrade, who in March obtained a 74 percent approval rating of his administration, nine points more than in the previous month, while only 11 percent disapproved.

Fujimori had a 64 percent approval rating in March, two points less than in February, when he had already fallen seven points. Meanwhile, his disapproval rating has grown to 25 percent.

While Fujimori and Camet are dropping in popularity, the approval levels of Ministers Jaime Yoshiyama and Dante Cordova, and President of the Congress Martha Chavez, are rising.

Yoshiyama obtained an approval rating of 57 percent, nine points more than in February, while Cordova and Chavez achieved 33 and 63 percent, respectively — an increase of three points for each.

Foreign Minister Francisco Tudela scored a 55 percent approval rating for his performance and the same percentage for the performance of Peruvian diplomacy in relation to Ecuador.

However, a considerable 34 percent disapprove of that policy, and a plurality of 45 percent believes that the Peruvian position should be hardened and that the guarantor nations of the Protocol of Rio de Janeiro have not been much help in solving problems.

Evaluation of the Government's Performance

In general, do you approve or disapprove of the performance of ...? (in percentages)

	Approv.2/96	Approv.3/96	Disapp.3/96	No Opinion
President Fujimori	66	64	25	11
Economy Minister Camet	43	36	40	24
Lima Mayor Andrade	65	74	11	15

Privatization of State Companies

In general, do you favor or oppose privatization of state companies? (in percentages)	
Favor	40
Oppose	51
No opinion	9
In general, do you favor or oppose the privatization of Petroperu? (in percentages)	
Favor	30
Oppose	64
No opinion	6

Venezuela

Venezuela: Minister Criticizes Editorial on Colombia

PA2303223196 Caracas EL UNIVERSAL in Spanish 19 Mar 96 p 1-9

[FBIS Translated Text] Caracas — Foreign Minister Miguel Angel Burelli Rivas has said that "the only harassment in the border area is that coming from the Colombian side." Burelli Rivas made this remark in response to an EL ESPECTADOR editorial, which stated that the assistance offered by U.S. Defense Secretary William Perry will be used to "continue the harassment against Colombia."

In a note sent from Rome, where he traveled to attend a meeting of foreign ministers from Latin America and the EU, Burelli Rivas blamed the "unjust and unnecessary attack on Venezuela" on "a very disturbed and somber disposition" on the part of the newspaper's editorialist.

The editorial, dubbed "Colombia Intervened," indicates that "under the pretext of the fight against drug trafficking," Venezuela is reportedly harassing Colombia along the border, at the orders of the U.S. Government. The U.S. Government recently refused to certify Colombia for conducting the necessary efforts in the fight on drugs.

"In Venezuela, everyone knows that the only harassment along the border with Colombia comes from the Colombian side. This attitude has forced us to maintain 84 military posts virtually ready for war at a substantial financial cost in an attempt to reduce, at least, everyday attacks along the 2,200-km border area," Burelli Rivas pointed out.

He listed criminal incidents along the border, whose victims are Venezuelans. Among these incidents, he

stressed abductions of ranchers, theft, oil spills, the sowing of coca and poppy crops, and "the open firing at Venezuelan patrols who guard our sovereignty and who have sustained numerous losses."

He explained that thus far the Venezuelan Government has understood that the concern "triggered by these border attacks, which have caused so much uncertainty in bilateral relations and so much restlessness among Venezuelans," is shared by the Colombian Government. In addition, the Venezuelan Government has been understanding about the Colombian Government's need to deploy its forces to heavily populated and industrial centers under the constant threat of the narcoguerrillas, referred to as "rebels" in Colombia.

Burelli Rivas added that Venezuela thought that this government awareness of the situation was also shared by key media, "which being more acquainted with the border situation should condemn this permanent aggression that we do not deserve." However, according to the foreign minister, the editorial published by EL ESPECTADOR seems to indicate that the "Colombian public does not have a clear understanding of the guerrilla or drug trafficking situation, nor do they clearly understand what is the meaning of border harassment. The Colombian public does not even seem to know whether it is true that the common enemy of the two countries is widespread [difuso] terrorism, which seems to have been passed over as though it were nothing at all."

Burelli Rivas recalled that his government has always stressed that Colombia must maintain a military presence similar to that of Venezuela in the border area so that "terrorism can be repressed before it violates and causes harm in Venezuelan territory."

He emphasized that this is the second time this newspaper, which has been the direct victim of narcoguerrillas, "has gone over the limit in publishing ideas that baffle Venezuelans."

The foreign minister pleaded for common sense, "which abounds in Colombia," and the opinion of the troops deployed in the few existent border military posts. These troops, he added, do know firsthand the situation in the border area.

Finally, he pointed out that the clarity, loyalty, and sincerity that should characterize bilateral relations should also prevail with regard to Colombian and Venezuelan media.

Venezuela: New Colombian Ambassador Discusses Relations

PA2403012396 Caracas EL UNIVERSAL in Spanish 19 Mar 95 p 1-9

[FBIS Translated Text] Caracas — "Colombia has to hope things go well in Venezuela, and Venezuela has to hope things go well in our country," Guillermo Gonzalez Mosquera, the new Colombian ambassador to Venezuela, has said.

According to VENPRES, Ambassador Gonzalez Mosquera, who described relations between the two nations as connecting blood vessels, said that "the relationship between Venezuela and Colombia will continue to be that way forever."

In his first public act since his arrival in Venezuela, Gonzalez Mosquera yesterday attended the swearing in of Abdon Vivas Teran, the recently named governor of Caracas, who was previously Venezuelan ambassador to Colombia.

The official was open to the press, as if to mark the type of Colombian-Venezuelan relations that will prevail from now on, relations that have been negatively affected by several incidents in the past months.

The new diplomat's main project and the one to which he will give all his attention is the preparation of the binational summit that will gather the two presidential commissions on border affairs, the defense and foreign ministers, and businessmen from both countries in Cucuta on 16, 17, and 18 April.

Ambassador Gonzalez Mosquera reiterated his interest in having good relations and proposed a preventive diplomatic plan "that requires that we focus on the sensitive parts of the problems so as to have a head start and find solutions that will avoid unnecessary confrontations."

Venezuala: Minister Defends Social Assistance Policy

PA2403025696 Caracas EL GLOBO in Spanish 22 Mar 96 p 2

[Article by Judith Martorelli]

[FBIS Translated Text] Venezuelan Interior Minister Jose Guillermo Andueza defended yesterday the social assistance policy the government is adopting.

Andueza said he is aware of the social discomfort, which the economic crisis is causing to the population, and of the inflationary effects, which the series of fiscal adjustment measures will generate during the first few months of the year.

He said that, without an effective social assistance policy, the measures could trigger unrest.

During an interview held at Miraflores, the minister also talked about the demonstrations with pots and pans that took place in certain parts of Caracas on Wednesday night, which were spurred by slogans in favor of the demands made by teachers.

[Martorelli] What do you think about the demonstration with pots and pans?

[Andueza] This type of demonstration must be evaluated because it is different from the street demonstration. Government officials and teams of experts who are reviewing the political situation are examining this new method of demonstrating.

He said, I believe there are people interested in returning to situations we had already overcome.

[Martorelli] Social unrest tends to worsen with inflation.

[Andueza] We are very aware of that, and President Rafael Caldera has stated that without an effective social program, the economic measures could trigger social unrest. That is why the national government is determined to apply policies that can take care of the people's social needs.

[Martorelli] What measures will be adopted when the increase in gasoline prices is announced? Will Caracas be occupied militarily?

[Andueza] No, all surveys indicate that the people understand that the increase in gasoline prices is necessary; however, we have discussed the various scenarios and if one of them becomes reality, we will adopt the appropriate measures.

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